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GDEX TO DIVERSIFY INTO IT SERVICES AND SOLUTIONS



PETALING JAYA: GDEX Bhd is proposing to undertake a diversification of its existing principal activities to include information technology (IT) services and solutions. In a filing with Bursa Malaysia, the company said it had primarily relied on its core express delivery business, which consistently accounted for over 85% of total revenue for the three years up to its financial year 2023.

“The group’s recent loss-making position was mainly attributed to the express delivery business being impacted by high competition from foreign courier companies.”

In an effort to turnaround the business, the company said it had launched the GDEX 2.0 transformation plan in 2022.

“The aim is to leverage technology to deliver a better customer experience and expand its service offerings in the IT sector to a wider range of customers, from small-sized companies to large multinationals.”

As a starting point, GDEX said it had acquired equity stakes in three IT companies in 2022, namely Web Bytes Sdn Bhd, Sweetmag Solutions (M) Sdn Bhd and Anon Security Sdn Bhd, in which it has a 38%, 51% and 60% stake, respectively. GDEX noted that its express delivery business has faced challenges and registered losses in recent financial years.

“The investments in Web Bytes, Sweetmag and Anon Security provides the group with an entryway into the IT services and solutions business, including the provision of e-commerce and website development, business software solutions and cyber security consulting.”

GDEX noted that the IT industry is one of the few sectors that has seen strong growth since the pandemic.

“In 2021, IT contributed 23.2% to Malaysia’s gross domestic product and is projected to rise to 25.5% by 2025. The government and private sector in Malaysia are in the process of embracing a country-wide digital transformation.

“The digitalisation of operations across all major industrial sectors will be a decisive factor in securing Malaysia’s role in the future global economy.”

In light of the industry outlook for the IT sector and barring any unforeseen circumstances, GDEX said its board is cautiously optimistic over the future prospects of both the group and the IT services and solutions business.