



# GADANG HOLDINGS BERHAD

199301023376 (278114-K)

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2021 (The figures are unaudited)

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 Months Ended 31/08/2021 RM'000	3 Months Ended 31/08/2020 RM'000 (Restated)	Variance %	3 Months Ended 31/08/2021 RM'000	3 Months Ended 31/08/2020 RM'000 (Restated)	Variance %
Revenue	134,636	115,392	17	134,636	115,392	17
Cost of sales	(116,458)	(101,261)	15	(116,458)	(101,261)	15
<b>Gross profit</b>	<b>18,178</b>	<b>14,131</b>	<b>29</b>	<b>18,178</b>	<b>14,131</b>	<b>29</b>
Other income	2,294	4,150	-45	2,294	4,150	-45
Administrative expenses	(6,039)	(6,755)	-11	(6,039)	(6,755)	-11
Depreciation	(1,872)	(1,841)	2	(1,872)	(1,841)	2
Operating expenses	(2,697)	(3,205)	-16	(2,697)	(3,205)	-16
Other expenses	(1,067)	(3,020)	-65	(1,067)	(3,020)	-65
Finance costs	(2,833)	(2,640)	7	(2,833)	(2,640)	7
Share of results of joint ventures	8	36	-78	8	36	-78
<b>Profit before tax</b>	<b>5,972</b>	<b>856</b>	<b>&gt;100</b>	<b>5,972</b>	<b>856</b>	<b>&gt;100</b>
Income tax expense	(2,015)	(1,174)	72	(2,015)	(1,174)	72
<b>Net profit/(loss) for the financial period</b>	<b>3,957</b>	<b>(318)</b>	<b>&gt;100</b>	<b>3,957</b>	<b>(318)</b>	<b>&gt;100</b>
<b>Other comprehensive income:</b>						
Foreign currency translation	(42)	(3,218)	-99	(42)	(3,218)	-99
<b>Total comprehensive income/(loss) for the financial period</b>	<b>3,915</b>	<b>(3,536)</b>	<b>&gt;100</b>	<b>3,915</b>	<b>(3,536)</b>	<b>&gt;100</b>
<b>Net profit/(loss) attributable to:</b>						
Equity holders of the Company	3,692	(455)	>100	3,692	(455)	>100
Non-controlling interests	265	137	93	265	137	93
<b>Total comprehensive income/(loss) attributable to:</b>	<b>3,957</b>	<b>(318)</b>	<b>&gt;100</b>	<b>3,957</b>	<b>(318)</b>	<b>&gt;100</b>
Equity holders of the Company	3,650	(3,503)	>100	3,650	(3,503)	>100
Non-controlling interests	265	(33)	>100	265	(33)	>100
<b>Earnings per share attributable to equity holders of the Company:</b>						
- Basic (sen)	0.51	(0.06)	>100	0.51	(0.06)	>100
- Diluted (sen)	0.51	(0.06)	>100	0.51	(0.06)	>100

*The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2021.*



# GADANG HOLDINGS BERHAD

199301023376 (278114-K)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2021 (The figures are unaudited)

	As At 31/08/2021 RM'000	As At 31/05/2021 RM'000 (Restated)	As At 01/06/2020 RM'000 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in joint ventures	1,583	1,574	1,273
Concession assets	148,623	147,132	142,511
Property, plant and equipment	21,109	22,483	29,283
Right-of-use assets	18,725	19,898	21,039
Investment properties	72,425	72,620	76,109
Inventories	3,913	3,913	3,913
Non-trade receivables	3,064	3,035	2,891
Other investments	2,517	3,416	6,800
Goodwill on consolidation	22,694	22,754	23,002
Deferred tax assets	37,892	37,181	31,487
	<u>332,545</u>	<u>334,006</u>	<u>338,308</u>
<b>Current assets</b>			
Inventories	747,641	760,902	796,559
Contract costs	4,658	3,757	1,438
Trade and other receivables	118,917	150,288	142,313
Contract assets	187,363	184,555	157,335
Current tax assets	8,268	7,644	8,474
Short term funds	116,318	103,248	94,876
Deposits with licensed banks	72,699	74,806	101,610
Cash and bank balances	100,582	108,055	106,340
	<u>1,356,446</u>	<u>1,393,255</u>	<u>1,408,945</u>
<b>TOTAL ASSETS</b>	<u>1,688,991</u>	<u>1,727,261</u>	<u>1,747,253</u>



# GADANG HOLDINGS BERHAD

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## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2021 (Continued) (The figures are unaudited)

	As At 31/08/2021 RM'000	As At 31/05/2021 RM'000 (Restated)	As At 01/06/2020 RM'000 (Restated)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Equity Holders of the Company</b>			
Share Capital	389,521	389,521	389,521
Reserves	401,986	398,336	392,647
	<u>791,507</u>	<u>787,857</u>	<u>782,168</u>
<b>Non-controlling interests</b>	5,262	4,997	4,742
<b>Total equity</b>	<u>796,769</u>	<u>792,854</u>	<u>786,910</u>
<b>Non-current liabilities</b>			
Bank borrowings	248,699	250,912	163,769
Lease liabilities	3,851	4,564	5,710
Deferred tax liabilities	2,562	2,637	3,078
Defined benefit obligations	1,977	2,028	2,833
Non-trade payables	186,643	186,643	175,224
	<u>443,732</u>	<u>446,784</u>	<u>350,614</u>
<b>Current liabilities</b>			
Trade and other payables	257,052	271,821	399,049
Contract liabilities	51,051	60,870	87,922
Bank borrowings	133,439	148,407	114,625
Lease liabilities	4,575	4,863	4,947
Current tax liabilities	2,373	1,662	3,186
	<u>448,490</u>	<u>487,623</u>	<u>609,729</u>
<b>Total liabilities</b>	<u>892,222</u>	<u>934,407</u>	<u>960,343</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,688,991</u>	<u>1,727,261</u>	<u>1,747,253</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.09	1.09	1.11

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2021.*



# GADANG HOLDINGS BERHAD

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## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2021 (The figures are unaudited)

	Share Capital	Share Option Reserves	Capital Reserves	Foreign Exchange Translation Reserves	Retained Profits	Total	Non-controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 June 2021</b>								
As previously reported	389,521	5,529	1,347	(3,598)	423,821	<b>816,620</b>	4,997	<b>821,617</b>
Effects of adoption of Agenda Decision	-	-	-	-	(28,763)	<b>(28,763)</b>	-	<b>(28,763)</b>
<b>As restated</b>	<b>389,521</b>	<b>5,529</b>	<b>1,347</b>	<b>(3,598)</b>	<b>395,058</b>	<b>787,857</b>	<b>4,997</b>	<b>792,854</b>
Total comprehensive income	-	-	-	(42)	3,692	<b>3,650</b>	265	<b>3,915</b>
<b>At 31 August 2021</b>	<b>389,521</b>	<b>5,529</b>	<b>1,347</b>	<b>(3,640)</b>	<b>398,750</b>	<b>791,507</b>	<b>5,262</b>	<b>796,769</b>
<b>At 1 June 2020</b>								
As previously reported	389,521	5,680	1,347	(1,735)	419,248	<b>814,061</b>	4,742	<b>818,803</b>
Effects of adoption of Agenda Decision	-	-	-	-	(31,893)	<b>(31,893)</b>	-	<b>(31,893)</b>
<b>As restated</b>	<b>389,521</b>	<b>5,680</b>	<b>1,347</b>	<b>(1,735)</b>	<b>387,355</b>	<b>782,168</b>	<b>4,742</b>	<b>786,910</b>
Total comprehensive income	-	-	-	(3,048)	(455)	<b>(3,503)</b>	(33)	<b>(3,536)</b>
<b>At 31 August 2020</b>	<b>389,521</b>	<b>5,680</b>	<b>1,347</b>	<b>(4,783)</b>	<b>386,900</b>	<b>778,665</b>	<b>4,709</b>	<b>783,374</b>

*The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2021.*



## GADANG HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2021 (The figures are unaudited)

	3 Months Ended 31/08/2021 RM'000	3 Months Ended 31/08/2020 RM'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax:	5,972	856
Adjustments for:		
Bad debts written off	-	1
Depreciation of:		
- concession assets	731	675
- investment properties	195	221
- property, plant and equipment	1,323	1,585
- right-of-use assets	1,262	1,078
Fair value loss on quoted investments	899	1,400
Finance costs	3,233	3,123
Gain on disposal of:		
- property, plant and equipment	-	(1,875)
- right-of-use assets	-	(16)
Income received from short term funds	(387)	(423)
Increase/(Decrease) in liability for defined benefit obligations	30	(579)
Interest income	(433)	(916)
Net unrealised loss on foreign exchange	89	1,555
Property, plant and equipment written off	-	19
Share of results of joint ventures	(8)	(36)
Operating profit before working capital changes	12,906	6,668
Changes in working capital:		
Contract assets/(liabilities)	(12,627)	(7,052)
Contract costs	(901)	(85)
Inventories	13,261	(9,040)
Payables	(14,878)	(88,498)
Receivables	31,342	(11,428)
Cash generated from/(used in) operations	29,103	(109,435)
Net income tax paid	(2,722)	(3,849)
<b>Net Operating Cash Flows</b>	26,381	(113,284)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of:		
- concession assets	(601)	(4,222)
- property, plant and equipment	(20)	(90)
- right-of-use assets	(12)	-
Proceeds from disposal of:		
- property, plant and equipment	-	1,884
- right-of-use assets	-	165
Income received from short term funds	387	423
Interest income	433	916
<b>Net Investing Cash Flows</b>	187	(924)



# GADANG HOLDINGS BERHAD

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## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2021 (Continued) (The figures are unaudited)

	3 Months Ended 31/08/2021 RM'000	3 Months Ended 31/08/2020 RM'000 (Restated)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	12,025	113,657
Finance costs	(3,233)	(3,123)
Repayment of:		
- bank borrowings	(29,153)	(24,768)
- lease liabilities	(1,259)	(1,402)
Fixed deposits pledged as security values	(4,589)	(2,587)
<b>Net Financing Cash Flows</b>	<b>(26,209)</b>	<b>81,777</b>
Net change in cash and cash equivalents	359	(32,431)
Effect of exchange rate changes	(1,652)	(832)
Cash and cash equivalents at the beginning of the financial period	222,073	213,127
Cash and cash equivalents at the end of the financial period	220,780	179,864
<b>Analysis of Cash and Cash Equivalents:-</b>		
Cash and bank balances	100,582	92,206
Short term funds	116,318	75,333
Deposits with licensed banks	72,699	104,885
Bank overdrafts	(4,129)	(8,425)
	285,470	263,999
Less: Fixed deposits pledged as security values	(64,690)	(84,135)
<b>Total</b>	<b>220,780</b>	<b>179,864</b>

*The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2021.*



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2021

#### PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

##### A1. BASIS OF PREPARATION

The unaudited interim financial report has been prepared according to Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2021. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2021.

##### A2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted by the Group in the quarterly financial statements are consistent with those adopted in the financial statements for the financial year ended 31 May 2021, except for the changes arising from the adoption of Amendments/Improvements to MFRSs as follows:

<b>Standard</b>	<b>Title</b>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to MFRS 16	COVID-19-Related Rent Concession

The adoption of these Amendments/Improvements to MFRSs do not have any material impact on the financial statement of the Group, except for IFRIC Agenda Decision on MFRS 123 Borrowing Costs, which is discussed below.

##### **IFRIC Agenda Decision on MFRS 123 Borrowing Costs**

In March 2019, the IFRS Interpretations Committee (“IFRIC”) published an agenda decision confirming, receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the MASB decided that an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

Effective 1 June 2021, the Group had retrospectively applied the Agenda Decision and comparative figures have been restated as a result of transition requirement under Agenda Decision.



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2021

#### PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING

#### A2. CHANGES IN ACCOUNTING POLICIES (Continued)

##### IFRIC Agenda Decision on MFRS 123 Borrowing Costs (Continued)

The effects of the adoption of the Agenda Decision on the condensed consolidated statements of financial position are summarised as follows:-

	31/05/2021			01/06/2020		
	As previously reported RM'000	Effects of adoption of Agenda Decision RM'000	As Restated RM'000	As previously reported RM'000	Effects of adoption of Agenda Decision RM'000	As Restated RM'000
<b>Non-current assets</b>						
Deferred tax assets	30,529	6,652	37,181	26,079	5,408	31,487
<b>Current assets</b>						
Inventories	796,317	(35,415)	760,902	833,860	(37,301)	796,559
<b>Equity</b>						
Reserves	427,099	(28,763)	398,336	424,540	(31,893)	392,647





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### INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2021

#### PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

#### A2. CHANGES IN ACCOUNTING POLICIES (Continued)

##### IFRIC Agenda Decision on MFRS 123 Borrowing Costs (Continued)

The effects of the adoption of the Agenda Decision on the condensed consolidated statements of comprehensive income are summarised as follows:-

	INDIVIDUAL QUARTER 3 Months Ended 31/08/2020			CUMULATIVE PERIOD 3 Months Ended 31/08/2020		
	As previously reported RM'000	Effects of adoption of Agenda Decision RM'000	As Restated RM'000	As previously reported RM'000	Effects of adoption of Agenda Decision RM'000	As Restated RM'000
Cost of sales	(101,615)	354	(101,261)	(101,615)	354	(101,261)
Finance costs	(1,083)	(1,557)	(2,640)	(1,083)	(1,557)	(2,640)
<b>Profit before tax</b>	<b>2,059</b>	<b>(1,203)</b>	<b>856</b>	<b>2,059</b>	<b>(1,203)</b>	<b>856</b>
Income tax expense	(1,374)	200	(1,174)	(1,374)	200	(1,174)
<b>Net profit/(loss) for the financial period</b>	<b>685</b>	<b>(1,003)</b>	<b>(318)</b>	<b>685</b>	<b>(1,003)</b>	<b>(318)</b>
<b>Total comprehensive income/ (loss) for the financial period</b>	<b>(2,533)</b>	<b>(1,003)</b>	<b>(3,536)</b>	<b>(2,533)</b>	<b>(1,003)</b>	<b>(3,536)</b>
<b>Net profit/(loss) attributable to equity holders of the Company</b>	<b>548</b>	<b>(1,003)</b>	<b>(455)</b>	<b>548</b>	<b>(1,003)</b>	<b>(455)</b>
<b>Total comprehensive income/(loss) attributable to equity holders of the Company</b>	<b>(2,500)</b>	<b>(1,003)</b>	<b>(3,503)</b>	<b>(2,500)</b>	<b>(1,003)</b>	<b>(3,503)</b>
<b>Basic/diluted earnings per share (sen)</b>	<b>0.08</b>	<b>(0.14)</b>	<b>(0.06)</b>	<b>0.08</b>	<b>(0.14)</b>	<b>(0.06)</b>



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2021

#### PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

##### A3. AUDIT REPORT

The auditors' report on the Group's financial statements for the financial year ended 31 May 2021 was not subject to any audit qualification.

##### A4. SEASONAL OR CYCLICAL FACTORS

The operations of the Group are not significantly affected by any seasonal or cyclical factors.

##### A5. UNUSUAL SIGNIFICANT ITEMS

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group for the current quarter under review.

##### A6. CHANGES IN ESTIMATES

There were no major changes in estimates that have any material effect in the current quarter under review.

##### A7. DEBT AND EQUITY SECURITIES

There were no cancellations, repurchases, resale, and repayments of debt and equity securities for the current quarter under review.

The movement of the share options are as follows:-

Option price (RM)	Date of offer	No. of options				Exercisable as at	
		As at 31/05/2021	Granted	Exercised	Lapsed*	As at 31/08/2021	31/08/2021
0.86	16.12.2016	52,235,200	-	-	-	52,235,200	52,235,200
1.03	05.01.2018	11,389,600	-	-	-	11,389,600	11,389,600
		63,624,800	-	-	-	63,624,800	63,624,800

\*due to resignation of employees

There was no conversion of Warrant 2016/2021 for the current quarter under review. The number of outstanding warrants as of 31 August 2021 was 129,254,039.



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2021

#### PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

#### A8. DIVIDEND PAID

There was no payment of dividend in the current quarter.

#### A9. SEGMENTAL REPORTING

##### 3 months ended 31 August 2021 (Current Financial Period)

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Consolidated RM'000
<b>Revenue</b>	96,236	31,528	6,872	-	134,636
<b>Results</b>					
Segment results	2,031	7,106	2,547	(2,887)	8,797
Finance costs	(370)	(2,324)	(1)	(138)	(2,833)
Share of results of joint ventures	8	-	-	-	8
Profit/(Loss) before tax	1,669	4,782	2,546	(3,025)	5,972
Income tax expense					(2,015)
Profit for the financial period					3,957

##### 3 months ended 31 August 2020 (Previous Financial Period)

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Consolidated RM'000
<b>(Restated)</b>					
<b>Revenue</b>	83,139	25,993	6,260	-	115,392
<b>Results</b>					
Segment results	1,068	4,909	2,012	(4,529)	3,460
Finance costs	(755)	(1,863)	(22)	-	(2,640)
Share of results of joint ventures	36	-	-	-	36
Profit/(Loss) before tax	349	3,046	1,990	(4,529)	856
Income tax expense					(1,174)
Loss for the financial period					(318)



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2021

#### PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

##### A10. CARRYING AMOUNT OF REVALUED ASSETS

The valuations of property, plant and equipment, and concession assets have been brought forward without amendment from the audited financial statements for the financial year ended 31 May 2021.

##### A11. SIGNIFICANT SUBSEQUENT EVENTS

There were no significant events subsequent to the end of the quarter under review.

##### A12. CHANGES IN COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the current quarter under review.

##### A13. CHANGES IN CONTINGENT LIABILITIES

There are no contingent liabilities for the Group as of the date of this report.

##### A14. CAPITAL COMMITMENTS

There are no material capital commitments as of the date of this report.

##### A15. PROVISION OF FINANCIAL ASSISTANCE

Pursuant to paragraph 8.23(1)(ii) of Bursa Malaysia Securities Berhad’s Listing Requirements, the financial assistance provided by the Group is as follows:

###### Advances to sub-contractors

	As At 31/08/2021 RM'000
Non-interest bearing advances	1,253

The financial assistance provided does not have any material effect on the earnings, net assets and liquidity of the Group.



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2021

#### PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B1. OPERATING SEGMENTS REVIEW

##### REVIEW OF PERFORMANCE AGAINST PREVIOUS YEAR CORRESPONDING PERIOD

During the current quarter, the Group recorded higher revenue of RM134.64 million compared to RM115.39 million in the corresponding quarter of the preceding year. Profit before tax increased to RM5.97 million compared to RM0.86 million in the preceding year's corresponding quarter, due to higher work progress, higher sales achieved and lower operating costs.

Other expenses for the current quarter reduced to RM1.07 million compared to RM3.02 million in the preceding year's corresponding quarter, mainly due to lower fair value loss on quoted investment and foreign exchange loss.

Tabulated below is the unaudited various divisional contributions:-

INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
3 Months Ended 31/08/2021 RM'000	3 Months Ended 31/08/2020 RM'000 (Restated)	Variance %	3 Months Ended 31/08/2021 RM'000	3 Months Ended 31/08/2020 RM'000 (Restated)	Variance %

##### REVENUE

Construction Division	96,236	83,139	16	96,236	83,139	16
Property Division	31,528	25,993	21	31,528	25,993	21
Utility Division	6,872	6,260	10	6,872	6,260	10
Investment Holding	-	-	-	-	-	-
	<u>134,636</u>	<u>115,392</u>	<u>17</u>	<u>134,636</u>	<u>115,392</u>	<u>17</u>

##### PROFIT/(LOSS) BEFORE TAX

Construction Division	1,669	349	>100	1,669	349	>100
Property Division	4,782	3,046	57	4,782	3,046	57
Utility Division	2,546	1,990	28	2,546	1,990	28
Investment Holding	(3,025)	(4,529)	-33	(3,025)	(4,529)	-33
	<u>5,972</u>	<u>856</u>	<u>&gt;100</u>	<u>5,972</u>	<u>856</u>	<u>&gt;100</u>

##### Construction Division

Revenue for the current quarter increased to RM96.24 million compared to RM83.14 million in the preceding year's corresponding quarter. In line with this, profit before tax increased to RM1.67 million compared to RM0.35 million in the preceding year's corresponding quarter, due to higher work progress for ongoing projects.



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##### B1. OPERATING SEGMENTS REVIEW (Continued)

###### Property Division

In the current quarter, revenue increased to RM31.53 million compared to RM25.99 million in the preceding year's corresponding quarter, mainly due to better sales achieved for some ongoing projects. Profit before tax increased to RM4.78 million compared to RM3.05 million in the preceding year's corresponding quarter.

###### Utility Division

For the current quarter, revenue increased to RM6.87 million compared to RM6.26 million in the preceding year's corresponding quarter. Profit before tax increased to RM2.55 million compared to RM1.99 million in the preceding year's corresponding quarter, mainly due to lower operating costs in the current period.

##### B2. MATERIAL CHANGES IN CURRENT QUARTER'S RESULT COMPARED TO PRECEDING QUARTER

	Current Quarter 31/08/2021 RM'000	Preceding Quarter 31/05/2021 RM'000 (Restated)
Revenue	134,636	152,349
Operating profit	10,677	10,071
Profit before interest and tax	8,805	8,158
Profit before tax	5,972	12,990
Profit after tax	3,957	11,053
Profit attributable to equity holders of the Company	<u>3,692</u>	<u>11,106</u>

The Group's revenue decreased to RM134.64 million in the current quarter compared to RM152.35 million in the preceding quarter. This was mainly due to lower work progress for the property development projects. Correspondingly, the Group's profit before tax decreased to RM5.97 million compared to RM12.99 million recorded in the preceding quarter.



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##### **B3. BUSINESS PROSPECT FOR THE FINANCIAL YEAR ENDING 31 MAY 2022**

The Group expects gradual recovery on the construction and property business segments, with the speedy ramp-up of the vaccination program.

Though constrained by rising government fiscal burden, the stimulus for infrastructure development may see some momentum with the Government's revival of public-private partnership. The Construction Division will continue to actively participate in open biddings for projects to replenish its order book, supported by the Group's experience and competitiveness in the construction sector. The Group's total order book stands at RM429 million, which provides earnings visibility for the next one to two years.

The low-interest-rate environment and the incentives offered under the ongoing Home Ownership Campaign are expected to continue supporting the demand for mid-market segment products in Malaysia. With its wide array of mid-market products in strategic locations and its unbilled sales of RM188 million in hand, the Property Division's performance is expected to recover in line with the relaxation under the National Recovery Plan.

The Utility Division will continue to pursue investment opportunities to build up its concession asset base with recurring income streams to cushion against the cyclical nature of the construction segment. The Group is keen to expand its footage in the renewable energy sector and will actively participate in upcoming large-scale solar farm projects.

Premised on the above and barring any unforeseen circumstances, the Group is cautiously optimistic that the Group will generate positive returns for the current financial year.

##### **B4. PROFIT FORECAST AND PROFIT GUARANTEE**

There is no profit forecast and profit guarantee provided by the Group and as such, this disclosure requirement is not applicable.

##### **B5. TAXATION**

Taxation comprises the following:

	<b>3 Months Ended 31/08/2021 RM'000</b>
Income tax expense:	
Malaysian income tax	(1,783)
Foreign income tax	(1,025)
Deferred tax	793
	<u>(2,015)</u>

The Group's effective tax rate (excluding the results of joint ventures, which is equity accounted net of tax) for the current quarter was higher than the statutory tax rate mainly due to business losses of certain subsidiaries and certain expenses not deductible for tax purposes.



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##### B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

- (a) On 29 March 2019, Achwell Property Sdn Bhd ("APSB"), a wholly-owned subsidiary of the Company entered into a conditional settlement agreement ("the Agreement") with Capital City Property Sdn Bhd ("CCPSB") for the proposed variation to the terms of the Joint Venture Agreement between APSB and CCPSB for an integrated development in Bandar Johor Bahru, District of Johor Bahru, State of Johor Darul Takzim ("Proposed Variation").

The Proposed Variation is subject to the fulfilment of the conditions precedent as stipulated in the Agreement.

CCPSB failed to fulfill the conditions precedent set out in the Agreement by 28 March 2020. Hence, the Agreement lapsed and became null and void, and the parties fell back to the original Joint Venture Agreement ("the JVA") on their rights and obligations.

CCPSB has since applied for and obtained an ex-parte Judicial Management Order on 13 March 2020.

On 28 July 2021, APSB entered into another conditional settlement agreement (the "CSA") with the Judicial Manager of CCPSB, which sets out the terms and conditions governing the payment of the final settlement sum and other matters relating to the settlement. Under the terms of the CSA, APSB's Entitlement Sum has been revised to RM190 million, of which a total of RM150 million has been paid to APSB to-date.

In this regard, the Parties have agreed for CCPSB to settle and pay the final settlement sum of RM40 million as the full and final settlement of APSB's Entitlement Sum and all other rights, interests and/or benefits APSB may have under the JVA. The CSA is subject to the fulfilment of the conditions precedent within six (6) months from the date of the CSA, which includes the approval of the Company's shareholders, to be obtained at the forthcoming AGM scheduled on 3 November 2021.

- (b) On 23 August 2021, Gadang Land Sdn Bhd, a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement ("SPA") with SkyRia Development Sdn Bhd (formerly known as Nusa Jutamas Sdn Bhd) ("SkyRia") to dispose to SkyRia, a parcel of residential land located at Jalan Kolam Air, Taman Melawati, Kuala Lumpur for a total cash consideration of RM43 million ("Proposed Disposal").

The Proposed Disposal is yet to be completed pending the fulfilment of certain conditions precedent as stipulated in the SPA.





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#### **B7. GROUP BORROWINGS**

The details of the Group borrowings are as follows:

	As at 31/08/2021 RM'000	As at 31/05/2021 RM'000
<b>(a) (i) Short Term Borrowings</b>		
Revolving credit	92,262	100,500
Banker's acceptance	-	751
Bank overdraft	4,129	3,935
Term loans	37,048	43,221
Hire purchase payable	4,575	4,863
	138,014	153,270
<b>(ii) Long Term Borrowings</b>		
Term loans	248,699	250,912
Hire purchase payable	3,851	4,564
	252,550	255,476
<b>Total Borrowings</b>	390,564	408,746

(b) Foreign currency borrowings included in the above are as follows:

	As at 31/08/2021		As at 31/05/2021	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
US Dollar	-	-	128	529
Indonesian Rupiah	107,121,470	30,958	112,362,735	32,473
		30,958		33,002

Bank borrowings for the current year to date decreased to RM390.56 million compared to RM408.75 million at the beginning of the financial year. The decrease is mainly due to repayments in the current quarter.

#### **B8. MATERIAL LITIGATION**

As at 20 October 2021, being 7 days prior to the date of this announcement, there has been no material litigation pending of which the value exceeds 5% of the Group's net tangible assets.

#### **B9. DIVIDEND**

No interim dividend has been declared for the current quarter under review.

In respect of the financial year 31 May 2021, the Board recommended a first and final dividend of 0.3 sen per share for approval of the shareholders at the forthcoming Annual General Meeting and if approved, will be paid on 3 December 2021. The entitlement date for the proposed dividend is 15 November 2021.



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#### B10. EARNINGS PER SHARE

##### (a) Basic earnings per share

The basic earnings per share has been calculated by dividing the net profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/08/2021	3 Months Ended 31/08/2020 (Restated)	3 Months Ended 31/08/2021	3 Months Ended 31/08/2020 (Restated)
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	3,692	(455)	3,692	(455)
Weighted average number of ordinary shares in issue ('000)	728,061	728,061	728,061	728,061
Basic earnings per share (sen)	0.51	(0.06)	0.51	(0.06)

##### (b) Diluted earnings per share

The diluted earnings per share has been calculated by dividing the net profit for the financial year attributable to ordinary equity holder of the Company by the weighted average number of ordinary shares that would have been issued upon full conversion of the remaining Warrants 2016/2021 and employee share option.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/08/2021	3 Months Ended 31/08/2020 (Restated)	3 Months Ended 31/08/2021	3 Months Ended 31/08/2020 (Restated)
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	3,692	(455)	3,692	(455)
Weighted average number of ordinary shares in issue ('000)	728,061	728,061	728,061	728,061
Effect of dilution:				
Exercise of warrants	-	-	-	-
Employee share option	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	728,061	728,061	728,061	728,061
Diluted earnings per share (sen)	0.51	(0.06)	0.51	(0.06)

The unexercised warrants and employee share option have no dilutive effect on the earnings per share as the exercise price is higher than the market price per ordinary share.



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#### **B11. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

The cost of sales included the following charges, made during the financial year:

	<b>3 Months Ended 31/08/2021 RM'000</b>
Depreciation	1,639
Finance costs	400
Rental of land and premises	223

Total comprehensive income for the financial year was derived after charging/(crediting) the following items:

	<b>3 Months Ended 31/08/2021 RM'000</b>
Depreciation	1,872
Fair value loss on quoted investments	899
Finance costs	2,833
Income received from short term funds	(387)
Interest income	(433)
Net unrealised loss on foreign exchange	89

Other than as disclosed above, the Group does not have any material items that were recognised as profit/(loss) in the Condensed Consolidated Statements of Comprehensive Income.