



# GADANG HOLDINGS BERHAD

199301023376 (278114-K)

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023 (The figures are unaudited)

|  | INDIVIDUAL QUARTER                        |   |               | CUMULATIVE PERIOD                         |   |               |
|--|---|---|---------------|---|---|---------------|
|  | 3 Months<br>Ended<br>30/11/2023<br>RM'000 | 3 Months<br>Ended<br>30/11/2022<br>RM'000 | Variance<br>% | 6 Months<br>Ended<br>30/11/2023<br>RM'000 | 6 Months<br>Ended<br>30/11/2022<br>RM'000 | Variance<br>% |
| Revenue  | 162,443                                   | 130,723                                   | 24            | 291,918                                   | 258,139                                   | 13            |
| Cost of sales  | (141,462)                                 | (110,374)                                 | 28            | (249,933)                                 | (217,740)                                 | 15            |
| <b>Gross profit</b>  | 20,981                                    | 20,349                                    | 3             | 41,985                                    | 40,399                                    | 4             |
| Other income   | 2,329                                     | 2,707                                     | -14           | 6,665                                     | 4,753                                     | 40            |
| Administrative expenses  | (6,866)                                   | (6,853)                                   | 0             | (13,653)                                  | (13,278)                                  | 3             |
| Depreciation   | (4,678)                                   | (1,883)                                   | >100          | (7,835)                                   | (3,838)                                   | >100          |
| Operating expenses   | (4,012)                                   | (4,738)                                   | -15           | (7,180)                                   | (8,157)                                   | -12           |
| Other expenses   | (791)                                     | (3,994)                                   | -80           | (1,532)                                   | (5,636)                                   | -73           |
| Finance costs  | (3,183)                                   | (2,809)                                   | 13            | (5,840)                                   | (5,343)                                   | 9             |
| Share of results of joint ventures                                       | (33)                                      | (116)                                     | -72           | (53)                                      | (118)                                     | -55           |
| <b>Profit before tax</b>   | 3,747                                     | 2,663                                     | 41            | 12,557                                    | 8,782                                     | 43            |
| Income tax expense   | (3,564)                                   | (2,396)                                   | 49            | (6,888)                                   | (4,903)                                   | 40            |
| <b>Net profit for the financial period</b>                               | 183                                       | 267                                       | -31           | 5,669                                     | 3,879                                     | 46            |
| <b>Other comprehensive income:</b>                                       |   |   |               |   |   |               |
| Foreign currency translation   | (710)                                     | (7,160)                                   | -90           | (1,621)                                   | (6,451)                                   | -75           |
| <b>Total comprehensive income for the financial period</b>               | (527)                                     | (6,893)                                   | -92           | 4,048                                     | (2,572)                                   | >100          |
| <b>Net profit attributable to:</b>                                       |   |   |               |   |   |               |
| Equity holders of the Company  | 1,401                                     | 98  | >100          | 7,609                                     | 3,341                                     | >100          |
| Non-controlling interests  | (1,218)                                   | 169                                       | >100          | (1,940)                                   | 538                                       | >100          |
|  | 183                                       | 267                                       | -31           | 5,669                                     | 3,879                                     | 46            |
| <b>Total comprehensive income attributable to:</b>                       |   |   |               |   |   |               |
| Equity holders of the Company  | 212                                       | (6,669)                                   | >100          | 5,404                                     | (2,751)                                   | >100          |
| Non-controlling interests  | (739)                                     | (224)                                     | >100          | (1,356)                                   | 179                                       | >100          |
|  | (527)                                     | (6,893)                                   | -92           | 4,048                                     | (2,572)                                   | >100          |
| <b>Earnings per share attributable to equity holders of the Company:</b> |   |   |               |   |   |               |
| - Basic (sen)  | 0.19                                      | 0.01                                      | >100          | 1.05                                      | 0.46                                      | >100          |
| - Diluted (sen)  | 0.19                                      | 0.01                                      | >100          | 1.05                                      | 0.46                                      | >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 2023.*



# GADANG HOLDINGS BERHAD

199301023376 (278114-K)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2023

|                                 | Unaudited<br>As At<br>30/11/2023<br>RM'000 | Audited<br>As At<br>31/05/2023<br>RM'000 |
|---------------------------------|--|--|
| <b>ASSETS</b>                   |  |  |
| <b>Non-current assets</b>       |  |  |
| Concession assets               | 154,687                                    | 131,794                                  |
| Intangible assets               | 25,602                                     | 27,511                                   |
| Property, plant and equipment   | 29,685                                     | 32,077                                   |
| Right-of-use assets             | 5,483                                      | 4,405                                    |
| Investment properties           | 71,140                                     | 71,534                                   |
| Trade and non-trade receivables | 11,167                                     | 18,697                                   |
| Other investments               | 899  | 719                                      |
| Goodwill on consolidation       | 6,374                                      | 6,522                                    |
| Deferred tax assets             | 24,939                                     | 23,394                                   |
|                                 | <b>329,976</b>                             | <b>316,653</b>                           |
| <b>Current assets</b>           |  |  |
| Inventories                     | 540,093                                    | 566,274                                  |
| Contract costs                  | 8,520                                      | 5,906                                    |
| Trade and non-trade receivables | 100,835                                    | 117,039                                  |
| Contract assets                 | 212,283                                    | 160,011                                  |
| Current tax assets              | 5,278                                      | 4,900                                    |
| Short term funds                | 48,965                                     | 67,845                                   |
| Deposits with licensed banks    | 40,201                                     | 22,425                                   |
| Cash and bank balances          | 122,120                                    | 128,120                                  |
|                                 | <b>1,078,295</b>                           | <b>1,072,520</b>                         |
| <b>TOTAL ASSETS</b>             | <b>1,408,271</b>                           | <b>1,389,173</b>                         |



# GADANG HOLDINGS BERHAD

199301023376 (278114-K)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2023 (Continued)

|   | Unaudited<br>As At<br>30/11/2023<br>RM'000 | Audited<br>As At<br>31/05/2023<br>RM'000 |
|---|--|--|
| <b>EQUITY AND LIABILITIES</b>   |  |  |
| <b>Equity attributable to Equity Holders of the Company</b>                             |  |  |
| Share Capital   | 389,521                                    | 389,521                                  |
| Reserves  | 408,335                                    | 402,931                                  |
|   | <u>797,856</u>                             | <u>792,452</u>                           |
| <b>Non-controlling interests</b>  | (6,794)                                    | (5,438)                                  |
| <b>Total equity</b>   | <u>791,062</u>                             | <u>787,014</u>                           |
| <b>Non-current liabilities</b>  |  |  |
| Investment in joint ventures  | 3,459                                      | 3,406                                    |
| Bank borrowings   | 137,102                                    | 140,262                                  |
| Deferred tax liabilities  | 2,528                                      | 2,531                                    |
| Defined benefit obligations   | 2,130                                      | 2,228                                    |
| Non-trade payables  | 126,205                                    | 126,231                                  |
|   | <u>271,424</u>                             | <u>274,658</u>                           |
| <b>Current liabilities</b>  |  |  |
| Trade and non-trade payables  | 234,473                                    | 220,123                                  |
| Contract liabilities  | 17,936                                     | 18,800                                   |
| Bank borrowings   | 87,947                                     | 86,566                                   |
| Current tax liabilities   | 5,429                                      | 2,012                                    |
|   | <u>345,785</u>                             | <u>327,501</u>                           |
| <b>Total liabilities</b>  | <u>617,209</u>                             | <u>602,159</u>                           |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <u>1,408,271</u>                           | <u>1,389,173</u>                         |
| <br>Net assets per share attributable to ordinary<br>equity holders of the Company (RM) | <br>1.10                                   | <br>1.09                                 |

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2023.*



# GADANG HOLDINGS BERHAD

199301023376 (278114-K)

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023 (The figures are unaudited)

|   | Share Capital<br>RM'000 | Capital<br>Reserves<br>RM'000 | Foreign<br>Exchange<br>Translation<br>Reserves<br>RM'000 | Retained Profits<br>RM'000 | Total<br>RM'000 | Non-controlling<br>Interest<br>RM'000 | Total Equity<br>RM'000 |
|---|-------------------------|-------------------------------|--|----------------------------|-----------------|---------------------------------------|------------------------|
| <b>At 1 June 2023</b>                               | 389,521                 | 1,347                         | 1,542  | 400,042                    | <b>792,452</b>  | (5,438)                               | <b>787,014</b>         |
| Profit after taxation for the financial period      | -                       | -                             | -  | 7,609                      | <b>7,609</b>    | (1,940)                               | <b>5,669</b>           |
| Foreign currency translation differences            | -                       | -                             | (2,205)  | -                          | <b>(2,205)</b>  | 584                                   | <b>(1,621)</b>         |
| Total comprehensive income for the financial period | -                       | -                             | (2,205)  | 7,609                      | <b>5,404</b>    | (1,356)                               | <b>4,048</b>           |
| <b>At 30 Nov 2023</b>                               | 389,521                 | 1,347                         | (663)  | 407,651                    | <b>797,856</b>  | (6,794)                               | <b>791,062</b>         |

|   | Share Capital<br>RM'000 | Capital<br>Reserves<br>RM'000 | Foreign<br>Exchange<br>Translation<br>Reserves<br>RM'000 | Retained Profits<br>RM'000 | Total<br>RM'000 | Non-controlling<br>Interest<br>RM'000 | Total Equity<br>RM'000 |
|---|-------------------------|-------------------------------|--|----------------------------|-----------------|---------------------------------------|------------------------|
| <b>At 1 June 2022</b>                               | 389,521                 | 1,347                         | 65   | 434,466                    | <b>825,399</b>  | 6,694                                 | <b>832,093</b>         |
| Profit after taxation for the financial period      | -                       | -                             | -  | 3,341                      | <b>3,341</b>    | 538                                   | <b>3,879</b>           |
| Foreign currency translation differences            | -                       | -                             | (6,092)  | -                          | <b>(6,092)</b>  | (359)                                 | <b>(6,451)</b>         |
| Dividend on ordinary shares                         | -                       | -                             | -  | (5,096)                    | <b>(5,096)</b>  | -                                     | <b>(5,096)</b>         |
| Disposal of subsidiary                              | -                       | -                             | -  | (638)                      | <b>(638)</b>    | 170                                   | <b>(468)</b>           |
| Total comprehensive income for the financial period | -                       | -                             | (6,092)  | (2,393)                    | <b>(8,485)</b>  | 349                                   | <b>(8,136)</b>         |
| <b>At 31 30 Nov 2022</b>                            | 389,521                 | 1,347                         | (6,027)  | 432,073                    | <b>816,914</b>  | 7,043                                 | <b>823,957</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 2023.*



## GADANG HOLDINGS BERHAD

199301023376 (278114-K)

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023 (The figures are unaudited)

|  | 6 Months<br>Ended<br>30/11/2023<br>RM'000 | 6 Months<br>Ended<br>30/11/2022<br>RM'000 |
|--|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |   |   |
| Profit before tax:   | 12,557                                    | 8,782                                     |
| Adjustments for:   |   |   |
| Accretion of interest on trade receivables                       | (1,730)                                   | -   |
| Depreciation of:   |   |   |
| - concession assets  | 3,146                                     | -   |
| - intangible assets  | 1,759                                     | 1,838                                     |
| - investment properties  | 394                                       | 394                                       |
| - property, plant and equipment                                  | 3,397                                     | 4,950                                     |
| - right-of-use assets  | 326                                       | 27  |
| Fair value (gain)/loss on quoted investments                     | (180)                                     | 1,079                                     |
| Finance costs  | 6,229                                     | 5,518                                     |
| Loss on disposal of subsidiary                                   | -   | 636                                       |
| Gain on disposal of property, plant and equipment                | (839)                                     | (497)                                     |
| Income received from short term funds                            | (38)                                      | (181)                                     |
| Decrease/(increase) in liability for defined benefit obligations | (17)                                      | (345)                                     |
| Interest income  | (1,260)                                   | (1,590)                                   |
| Net unrealised loss on foreign exchange                          | 1,114                                     | 3,827                                     |
| Reversal of impairment on trade and non-trade receivables        | (173)                                     | -   |
| Reversal of impairment on concession assets                      | (20)                                      | -   |
| Share of results of joint ventures                               | 53  | 118                                       |
| Operating profit before working capital changes                  | 24,718                                    | 24,556                                    |
| Changes in working capital:                                      |   |   |
| Contract assets/(liabilities)                                    | 18,168                                    | 11,947                                    |
| Contract costs   | (53,136)                                  | (1,731)                                   |
| Inventories  | 5,399                                     | 4,258                                     |
| Payables   | 14,053                                    | (21,662)                                  |
| Receivables  | 446                                       | 3,290                                     |
| Cash generated from operations                                   | 9,648                                     | 20,658                                    |
| Net income tax paid  | (5,403)                                   | (6,857)                                   |
| <b>Net Operating Cash Flows</b>                                  | 4,245                                     | 13,801                                    |



## GADANG HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023 (Continued) (The figures are unaudited)

|  | 6 Months<br>Ended<br>30/11/2023<br>RM'000 | 6 Months<br>Ended<br>30/11/2022<br>RM'000 |
|--|---|---|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                        |   |   |
| Acquisition of:  |   |   |
| - concession assets  | (3,592)                                   | (4,499)                                   |
| - intangible assets  | (143)                                     | (27)                                      |
| - property, plant and equipment                                    | (560)                                     | (4,465)                                   |
| Proceeds from disposal of:   |   |   |
| - property, plant and equipment                                    | 575                                       | 741                                       |
| - subsidiary   | -   | 565                                       |
| Income received from short term funds                              | 38  | 181                                       |
| Interest income  | 1,260                                     | 1,590                                     |
| <b>Net Investing Cash Flows</b>                                    | <u>(2,422)</u>                            | <u>(5,914)</u>                            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                        |   |   |
| Drawdown of:   |   |   |
| - bank borrowings  | 42,339                                    | 8,853                                     |
| - hire purchase  | 164                                       | 3,011                                     |
| Finance costs  | (6,229)                                   | (5,518)                                   |
| Repayment of:  |   |   |
| - bank borrowings  | (43,742)                                  | (48,741)                                  |
| - hire purchase  | (1,564)                                   | (1,926)                                   |
| Fixed deposits pledged as security values                          | (2,272)                                   | (93)                                      |
| Dividend paid  | -   | (5,096)                                   |
| <b>Net Financing Cash Flows</b>                                    | <u>(11,304)</u>                           | <u>(49,510)</u>                           |
| Net change in cash and cash equivalents                            | (9,481)                                   | (41,623)                                  |
| Effect of exchange rate changes                                    | (95)                                      | (4,091)                                   |
| Cash and cash equivalents at the beginning of the financial period | 194,380                                   | 269,359                                   |
| Cash and cash equivalents at the end of the financial period       | <u>184,804</u>                            | <u>223,645</u>                            |
| <b>Analysis of Cash and Cash Equivalents:-</b>                     |   |   |
| Cash and bank balances   | 122,120                                   | 146,586                                   |
| Short term funds   | 48,965                                    | 71,712                                    |
| Deposits with licensed banks                                       | 40,201                                    | 25,090                                    |
| Bank overdrafts  | (4,345)                                   | (4,208)                                   |
|  | 206,941                                   | 239,180                                   |
| Less: Fixed deposits pledged as security values                    | (22,137)                                  | (15,535)                                  |
| <b>Total</b>   | <u>184,804</u>                            | <u>223,645</u>                            |

*The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2023.*



## GADANG HOLDINGS BERHAD

199301023376 (278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2023

#### 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 2023. 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 2023.

##### A2. CHANGES IN ACCOUNTING POLICIES

- (i) 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 2023, except for the changes arising from the adoption of Amendments/Improvements to MFRS as follows:

| Standard               | Title  |
|------------------------|--|
| MFRS 17                | Insurance Contracts  |
| Amendments to MFRS 17  | Insurance Contracts  |
| Amendments to MFRS 17  | Initial Application of MFRS 17 and MFRS 9 – Comparative Information              |
| Amendments to MFRS 101 | Disclosure of Accounting Policies  |
| Amendments to MFRS 108 | Definition of Accounting Estimates   |
| Amendments to MFRS 112 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to MFRS 112 | International Tax Reform - Pillar Two Model Rules                                |

The adoption of these Amendments/Improvements to MFRSs does not have any material impact on the financial statement of the Group.

- (ii) As of at the date of this report, the following amendments to published standards have been issued by the MASB but are not yet effective and have not been adopted early.

- (a) Effective for financial years beginning on or after 1 June 2024

| Standard                          | Title   |
|-----------------------------------|---|
| Amendments to MFRS 16             | Lease Liability in a Sale and Leaseback                 |
| Amendments to MFRS 101            | Classification of Liabilities as Current or Non-current |
| Amendments to MFRS 101            | Non-current Liabilities with Covenants                  |
| Amendments to MFRS 107 and MFRS 7 | Supplier Finance Arrangements                           |
| Amendments to MFRS 121            | Lack of Exchangeability                                 |



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2023

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

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

- (ii) As of at the date of this report, the following amendments to published standards have been issued by the MASB but are not yet effective and have not been adopted early. (Continued)
- (b) The effective date of these Amendments to Standards has been deferred and is yet to be announced

| Standard                           | Title   |
|------------------------------------|---|
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |

Based on the preliminary assessment of the effects of the above amendments to published standards, no material impact is expected on the financial statements of the Group.

##### A3. AUDIT REPORT

The auditors' report on the Group's financial statements for the financial year ended 31 May 2023 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 the 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.



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2023

#### 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

##### 6 Months ended 30 November 2023 (Current Financial Period)

|                                    | Construction<br>Division<br>RM'000 | Property<br>Division<br>RM'000 | Utilities<br>Division<br>RM'000 | Investment<br>Holding<br>RM'000 | Consolidated<br>RM'000 |
|------------------------------------|------------------------------------|--------------------------------|---------------------------------|---------------------------------|------------------------|
| <b>Revenue</b>                     | 121,193                            | 152,924                        | 17,801                          | -                               | 291,918                |
| <b>Results</b>                     |                                    |                                |                                 |                                 |                        |
| Segment results                    | (11,521)                           | 33,404                         | 4,038                           | (7,471)                         | 18,450                 |
| Finance costs                      | (828)                              | (3,825)                        | (942)                           | (245)                           | (5,840)                |
| Share of results of joint ventures | (53)                               | -                              | -                               | -                               | (53)                   |
| Profit/(Loss) before tax           | (12,402)                           | 29,579                         | 3,096                           | (7,716)                         | 12,557                 |
| Income tax expense                 |                                    |                                |                                 |                                 | (6,888)                |
| Profit for the financial period    |                                    |                                |                                 |                                 | 5,669                  |

##### 6 Months ended 30 November 2022 (Previous Financial Period)

|                                    | Construction<br>Division<br>RM'000 | Property<br>Division<br>RM'000 | Utilities<br>Division<br>RM'000 | Investment<br>Holding<br>RM'000 | Consolidated<br>RM'000 |
|------------------------------------|------------------------------------|--------------------------------|---------------------------------|---------------------------------|------------------------|
| <b>Revenue</b>                     | 129,861                            | 115,306                        | 12,972                          | -                               | 258,139                |
| <b>Results</b>                     |                                    |                                |                                 |                                 |                        |
| Segment results                    | (1,098)                            | 22,142                         | 4,405                           | (11,206)                        | 14,243                 |
| Finance costs                      | (860)                              | (4,203)                        | -                               | (280)                           | (5,343)                |
| Share of results of joint ventures | (118)                              | -                              | -                               | -                               | (118)                  |
| Profit/(Loss) before tax           | (2,076)                            | 17,939                         | 4,405                           | (11,486)                        | 8,782                  |
| Income tax expense                 |                                    |                                |                                 |                                 | (4,903)                |
| Profit for the financial period    |                                    |                                |                                 |                                 | 3,879                  |

#### 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 2023.



## **GADANG HOLDINGS BERHAD**

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### **INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2023**

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

##### **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**

Approved and contracted for  
- Balance of purchase consideration for land acquisition  
as per Sales and Purchase Agreement

**As At  
30/11/2023  
RM'000**

38,383

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## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2023

#### 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 a revenue of RM162.44 million compared to RM130.72 million in the preceding year's corresponding quarter. Profit before tax increased to RM3.75 million compared to RM2.66 million in the preceding year's corresponding quarter.

Correspondingly, for the current year to date, revenue increased to RM291.92 million compared to RM258.14 million in the preceding year to date. The profit before tax increased to RM12.56 million compared to RM8.78 million in the preceding year to date, mainly due to a higher contribution from the Property Division.

Tabulated below are the unaudited various divisional contributions: -

|                                 | INDIVIDUAL QUARTER                  |                                     |            | CUMULATIVE PERIOD                   |                                     |            |
|---------------------------------|-------------------------------------|-------------------------------------|------------|-------------------------------------|-------------------------------------|------------|
|                                 | 3 Months Ended 30/11/2023<br>RM'000 | 3 Months Ended 30/11/2022<br>RM'000 | Variance % | 6 Months Ended 30/11/2023<br>RM'000 | 6 Months Ended 30/11/2022<br>RM'000 | Variance % |
| <b>REVENUE</b>                  |                                     |                                     |            |                                     |                                     |            |
| Construction Division           | 68,995                              | 69,984                              | -1         | 121,193                             | 129,861                             | -7         |
| Property Division               | 83,969                              | 54,320                              | 55         | 152,924                             | 115,306                             | 33         |
| Utilities Division              | 9,479                               | 6,419                               | 48         | 17,801                              | 12,972                              | 37         |
| Investment Holding              | -                                   | -                                   | -          | -                                   | -                                   | -          |
|                                 | <u>162,443</u>                      | <u>130,723</u>                      | <u>24</u>  | <u>291,918</u>                      | <u>258,139</u>                      | <u>13</u>  |
| <b>PROFIT/(LOSS) BEFORE TAX</b> |                                     |                                     |            |                                     |                                     |            |
| Construction Division           | (11,217)                            | (2,168)                             | >100       | (12,402)                            | (2,076)                             | >100       |
| Property Division               | 17,698                              | 9,530                               | 86         | 29,579                              | 17,939                              | 65         |
| Utilities Division              | 1,478                               | 3,837                               | -61        | 3,096                               | 4,405                               | -30        |
| Investment Holding              | (4,212)                             | (8,536)                             | -51        | (7,716)                             | (11,486)                            | -33        |
|                                 | <u>3,747</u>                        | <u>2,663</u>                        | <u>41</u>  | <u>12,557</u>                       | <u>8,782</u>                        | <u>43</u>  |

##### Construction Division

Revenue for the current quarter decreased marginally to RM69.00 million compared to RM69.98 million in the preceding year's corresponding quarter. The Division recorded a loss before tax of RM11.22 million compared to a loss before tax of RM2.17 million in the preceding year's corresponding quarter.

Revenue for the current year to date decreased to RM121.19 million compared to RM129.86 million in the preceding year to date. The loss before tax increased to RM12.40 million compared to the loss before tax of RM2.08 million in the preceding year to date, mainly due to higher project operating costs arising from the escalation of raw material prices and higher labour costs.



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

###### Property Division

In the current quarter, revenue increased to RM83.97 million compared to RM54.32 million in the preceding year's corresponding quarter. In line with that, profit before tax increased to RM17.70 million compared to RM9.53 million in the preceding year's corresponding quarter.

Revenue for the current year to date increased to RM152.92 million compared to RM115.31 million in the preceding year to date. Correspondingly, profit before tax increased to RM29.58 million compared to RM17.94 million in the preceding year to date. This was mainly due to better sales achieved and higher work progress from the development projects.

###### Utilities Division

Revenue increased to RM9.48 million for the current quarter compared to RM6.42 million in the preceding year's corresponding quarter. Profit before tax decreased to RM1.48 million compared to RM3.84 million in the preceding year's corresponding quarter.

Revenue for the current year to date increased to RM17.80 million compared to RM12.97 million in the preceding year to date, mainly due to the commencement of commercial operations of the 9MW mini-hydro power plant at Lintau, Indonesia. However, profit before tax decreased to RM3.10 million compared to RM4.41 million in the preceding year to date, mainly due to higher operating costs for the 9MW mini-hydro power plant.

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

|   | Current Quarter<br>30/11/2023<br>RM'000 | Preceding Quarter<br>31/8/2023<br>RM'000 | Variance<br>% |
|---|---|--|---------------|
| Revenue   | 162,443                                 | 129,475                                  | 25            |
| Operating profit  | 11,608                                  | 14,624                                   | -21           |
| Profit before interest and tax                          | 6,930                                   | 11,467                                   | -40           |
| Profit before tax                                       | 3,747                                   | 8,810                                    | -57           |
| Profit after tax  | 183                                     | 5,486                                    | -97           |
| Profit attributable to equity holders<br>of the Company | 1,401                                   | 6,208                                    | -77           |

The Group's revenue increased to RM162.44 million in the current quarter compared to RM129.48 million in the preceding quarter. This was mainly due to higher construction work progress, higher sales achieved for property development projects and the commencement of commercial operations of the 9MW mini-hydro power plant at Lintau, Indonesia. However, profit before tax decreased to RM3.75 million compared to RM8.81 million in the preceding quarter, mainly due to higher operating costs from the Construction and Utilities Divisions.



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##### **B3. BUSINESS PROSPECT FOR THE FINANCIAL YEAR ENDING 31 MAY 2024**

Overall, the Malaysian economy expanded by 3.9% in the first three (3) quarters of 2023. Despite the challenging global environment, Bank Negara Malaysia anticipates the Malaysian economy to expand by approximately 4% in 2023 and 4% – 5% in 2024. The growth will continue to be driven by the expansion in domestic demand amid steady employment and income prospects, recovery of the tourism sector, and the progress of multi-year infrastructure projects.

The Construction Division anticipates a less favourable outlook and a more competitive tender environment due to limited infrastructure projects. The Division will be focusing on the timely execution and completion of its on-going projects and continual bidding for new projects in order to replenish the Group's order book. As of the reporting date, the Division has an outstanding order book of RM1.1 billion.

Notwithstanding the challenges faced such as the higher interest rate environment and the weaker Malaysian ringgit, Property Division recorded an improved performance with a revenue of RM152.9 million, which is 33% higher than the revenue registered in the preceding year's corresponding quarter. With its unbilled sales of about RM280.0 million and its on-going efforts to introduce attractive packages with the right product pricing, the Division is expected to deliver a satisfactory performance for the current financial year.

The Utilities Division will continue to review investment opportunities to build up its concession asset base with recurring revenue streams. The construction of the 5.9MWac solar photovoltaic energy generating facility located in Tawau, Sabah, is in progress, and this will further strengthen the revenue contribution to the Group in the first quarter of FYE 2025.

Given the economic uncertainties, the Group remain cautiously optimistic on growth prospects. The Group will continue to seek opportunities to expand the Group's revenue and client base, ensure timely completion of all ongoing projects, exercise prudence in business dealings and manage operational efficiency to achieve long-term sustainable growth.



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

There are 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<br/>Ended<br/>30/11/2023<br/>RM'000</b> | <b>6 Months<br/>Ended<br/>30/11/2023<br/>RM'000</b> |
|----------------------|---|---|
| Income tax expense:  |   |   |
| Malaysian income tax | (4,473)   | (6,696)   |
| Foreign income tax   | (991)   | (1,750)   |
| Deferred tax         | 1,900   | 1,558   |
|                      | <u>(3,564)</u>                                      | <u>(6,888)</u>                                      |

The Group's effective tax rate (excluding the results of joint ventures, which are equity accounted net of tax) for the current quarter was higher than the statutory tax rate, mainly due to the non-recognition of deferred tax assets on unutilised tax losses of certain subsidiaries and certain expenses not deductible for tax purposes.

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

There were no pending corporate proposals.



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

The details of the Group borrowings are as follows:

|                               | As at<br>30/11/2023<br>RM'000 | As at<br>31/05/2023<br>RM'000 |
|-------------------------------|-------------------------------|-------------------------------|
| (a) (i) Short Term Borrowings |                               |                               |
| Revolving credit              | 59,346                        | 35,687                        |
| Banker's acceptance           | 820                           | -                             |
| Bank overdraft                | 4,345                         | 4,146                         |
| Term loans                    | 19,415                        | 43,432                        |
| Hire purchase payable         | 4,021                         | 3,301                         |
|                               | 87,947                        | 86,566                        |
| (ii) Long Term Borrowings     |                               |                               |
| Term loans                    | 128,114                       | 130,417                       |
| Hire purchase payable         | 8,988                         | 9,845                         |
|                               | 137,102                       | 140,262                       |
| Total Borrowings              | 225,049                       | 226,828                       |

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

|                   | As at 30/11/2023            |                          | As at 31/05/2023            |                          |
|-------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
|                   | Foreign<br>Currency<br>'000 | RM<br>Equivalent<br>'000 | Foreign<br>Currency<br>'000 | RM<br>Equivalent<br>'000 |
| Singapore Dollar  | 2,492                       | 8,702                    | 2,837                       | 9,679                    |
| Indonesian Rupiah | 89,950,087                  | 27,075                   | 70,432,616                  | 21,693                   |
|                   |                             | 35,777                   |                             | 31,372                   |

Bank borrowings for the current year to date decreased slightly to RM225.05 million compared to RM226.83 million at the beginning of the financial year. The decrease was mainly due to repayment in the current period.

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

As of 17 January 2024, 7 days prior to the date of this announcement, there has been no material litigation pending for which the value exceeds 5% of the Group's net tangible assets.



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##### B9. DIVIDEND

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

##### 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 30/11/2023 | 3 Months Ended 30/11/2022 | 6 Months Ended 30/11/2023 | 6 Months Ended 30/11/2022 |
| Net profit attributable to ordinary equity holders of the Company (RM'000) | 1,401                     | 98                        | 7,609                     | 3,341                     |
| Weighted average number of ordinary shares in issue ('000)                 | 728,061                   | 728,061                   | 728,061                   | 728,061                   |
| Basic earnings per share (sen)   | 0.19                      | 0.01                      | 1.05                      | 0.46                      |

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

The diluted earnings per share is the same as the basic earnings per share as there are no potential ordinary shares in issue at the end of the financial period.



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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 period:

|   | <b>3 Months<br/>Ended<br/>30/11/2023<br/>RM'000</b> | <b>6 Months<br/>Ended<br/>30/11/2023<br/>RM'000</b> |
|---|---|---|
| Depreciation                                      | 502   | 1,187   |
| Finance costs                                     | 267   | 389   |
| Gain on disposal of property, plant and equipment | (71)  | (71)  |
| Rental of land and premises                       | 310   | 596   |
|   | <hr/>   | <hr/>   |

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

|   | <b>3 Months<br/>Ended<br/>30/11/2023<br/>RM'000</b> | <b>6 Months<br/>Ended<br/>30/11/2023<br/>RM'000</b> |
|---|---|---|
| Accretion of interest on trade receivables                | (9)   | (1,730)   |
| Depreciation  | 4,678   | 7,835   |
| Fair value gain on quoted investments                     | -   | (180)   |
| Finance costs   | 3,183   | 5,840   |
| Gain on disposal of property, plant and equipment         | (97)  | (768)   |
| Income received from short term funds                     | (17)  | (38)  |
| Interest income   | (711)   | (1,260)   |
| Net unrealised loss on foreign exchange                   | 366   | 1,114   |
| Reversal of impairment on trade and non-trade receivables | (168)   | (173)   |
| Reversal of impairment on concession assets               | -   | (20)  |
|   | <hr/>   | <hr/>   |

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.