



GADANG HOLDINGS BERHAD

199301023376 (278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2024 (The figures are unaudited)

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 Months Ended 29/02/2024 RM'000	3 Months Ended 28/02/2023 RM'000	Variance %	9 Months Ended 29/02/2024 RM'000	9 Months Ended 28/02/2023 RM'000	Variance %
Revenue	141,154	123,983	14	433,072	382,122	13
Cost of sales	(121,916)	(102,125)	19	(371,849)	(319,865)	16
Gross profit	19,238	21,858	-12	61,223	62,257	-2
Other income	8,197	1,574	>100	14,862	6,327	>100
Administrative expenses	(8,120)	(8,421)	-4	(21,773)	(21,699)	0
Depreciation	(4,655)	(2,567)	81	(12,490)	(6,405)	95
Operating expenses	(3,933)	(4,237)	-7	(11,113)	(12,394)	-10
Other expenses	(675)	(3,772)	-82	(2,207)	(9,408)	-77
Finance costs	(2,812)	(2,849)	-1	(8,652)	(8,192)	6
Share of results of joint ventures	(164)	(1,078)	-85	(217)	(1,196)	-82
Profit before tax	7,076	508	>100	19,633	9,290	>100
Income tax expense	(1,017)	(5,254)	-81	(7,905)	(10,157)	-22
Net profit/(loss) for the financial period	6,059	(4,746)	>100	11,728	(867)	>100
Other comprehensive income:						
Foreign currency translation	165	4,677	-96	(1,456)	(1,774)	-18
Total comprehensive income/(loss) for the financial period	6,224	(69)	>100	10,272	(2,641)	>100
Net profit/(loss) attributable to:						
Equity holders of the Company	6,471	(4,960)	>100	14,080	(1,619)	>100
Non-controlling interests	(412)	214	>100	(2,352)	752	>100
	6,059	(4,746)	>100	11,728	(867)	>100
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	6,651	(546)	>100	12,055	(3,297)	>100
Non-controlling interests	(427)	477	>100	(1,783)	656	>100
	6,224	(69)	>100	10,272	(2,641)	>100
Earnings/(loss) per share attributable to equity holders of the Company:						
- Basic (sen)	0.89	(0.68)	>100	1.93	(0.22)	>100
- Diluted (sen)	0.89	(0.68)	>100	1.93	(0.22)	>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 29 FEBRUARY 2024

	Unaudited	Audited
	As At 29/02/2024 RM'000	As At 31/05/2023 RM'000
ASSETS		
Non-current assets		
Concession assets	152,925	131,794
Intangible assets	24,798	27,511
Property, plant and equipment	28,263	32,077
Right-of-use assets	5,330	4,405
Investment properties	70,943	71,534
Trade and non-trade receivables	4,350	18,697
Other investments	899	719
Goodwill on cosolidation	6,395	6,522
Deferred tax assets	25,439	23,394
	319,342	316,653
Current assets		
Inventories	527,375	566,274
Contract costs	6,637	5,906
Trade and non-trade receivables	120,673	117,039
Contract assets	209,777	160,011
Current tax assets	6,611	4,900
Short term funds	62,923	67,845
Deposits with licensed banks	48,911	22,425
Cash and bank balances	79,009	128,120
	1,061,916	1,072,520
TOTAL ASSETS	1,381,258	1,389,173



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 29 FEBRUARY 2024 (Continued)

	Unaudited As At 29/02/2024 RM'000	Audited As At 31/05/2023 RM'000
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Company		
Share Capital	389,521	389,521
Reserves	414,986	402,931
	<u>804,507</u>	<u>792,452</u>
Non-controlling interests	(7,221)	(5,438)
Total equity	<u>797,286</u>	<u>787,014</u>
Non-current liabilities		
Investment in joint ventures	3,623	3,406
Bank borrowings	109,863	140,262
Deferred tax liabilities	2,437	2,531
Defined benefit obligations	2,075	2,228
Non-trade payables	126,205	126,231
	<u>244,203</u>	<u>274,658</u>
Current liabilities		
Trade and non-trade payables	205,593	220,123
Contract liabilities	18,800	18,800
Bank borrowings	110,030	86,566
Current tax liabilities	5,346	2,012
	<u>339,769</u>	<u>327,501</u>
Total liabilities	<u>583,972</u>	<u>602,159</u>
TOTAL EQUITY AND LIABILITIES	<u>1,381,258</u>	<u>1,389,173</u>
 Net assets per share attributable to ordinary equity holders of the Company (RM)	 1.10	 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 29 FEBRUARY 2024 (The figures are unaudited)

	Share Capital RM'000	Capital Reserves RM'000	Foreign Exchange Translation Reserves RM'000	Retained Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 June 2023	389,521	1,347	1,542	400,042	792,452	(5,438)	787,014
Profit after taxation for the financial period	-	-	-	14,080	14,080	(2,352)	11,728
Foreign currency translation differences	-	-	(2,025)	-	(2,025)	569	(1,456)
Total comprehensive income for the financial period	-	-	(2,025)	14,080	12,055	(1,783)	10,272
At 29 Feb 2024	389,521	1,347	(483)	414,122	804,507	(7,221)	797,286

	Share Capital RM'000	Capital Reserves RM'000	Foreign Exchange Translation Reserves RM'000	Retained Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 June 2022	389,521	1,347	65	434,466	825,399	6,694	832,093
Loss after taxation for the financial period	-	-	-	(1,619)	(1,619)	752	(867)
Foreign currency translation differences	-	-	(1,678)	-	(1,678)	(96)	(1,774)
Dividend on ordinary shares	-	-	-	(5,096)	(5,096)	-	(5,096)
Disposal of subsidiary	-	-	-	(468)	(468)	134	(334)
Total comprehensive income/(loss) for the financial period	-	-	(1,678)	(7,183)	(8,861)	790	(8,071)
At 28 Feb 2023	389,521	1,347	(1,613)	427,283	816,538	7,484	824,022

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

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2024 (The figures are unaudited)

	9 Months Ended 29/02/2024 RM'000	9 Months Ended 28/02/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax:	19,633	9,290
Adjustments for:		
Accretion of interest on trade receivables	(7,341)	410
Bad debts written off	2	-
Depreciation of:		
- concession assets	5,487	-
- intangible assets	2,599	2,711
- investment properties	591	591
- property, plant and equipment	4,940	6,840
- right-of-use assets	491	41
Fair value (gain)/loss on quoted investments	(180)	899
Finance costs	9,582	8,433
Loss on disposal of subsidiary	-	636
Gain on disposal of property, plant and equipment	(901)	(692)
Impairment loss on:		
- goodwill	-	5,898
- trade receivables	624	-
Income received from short term funds	(54)	(142)
Decrease/(increase) in liability for defined benefit obligations	(72)	(271)
Interest income	(2,131)	(2,011)
Net unrealised loss on foreign exchange	763	879
Property, plant and equipment written off	37	4
Reversal of impairment on trade and non-trade receivables	(173)	-
Reversal of impairment on concession assets	(20)	-
Share of results of joint ventures	217	1,196
Operating profit before working capital changes	34,094	34,712
Changes in working capital:		
Contract assets/(liabilities)	32,327	42,108
Contract costs	(49,767)	423
Inventories	5,842	4,748
Payables	(14,970)	(21,291)
Receivables	(7,508)	1,507
Cash generated from operations	18	62,207
Net income tax paid	(8,425)	(10,463)
Net Operating Cash Flows	(8,407)	51,744



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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2024 (Continued) (The figures are unaudited)

	9 Months Ended 29/02/2024 RM'000	9 Months Ended 28/02/2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of:		
- concession assets	(3,728)	(6,286)
- intangible assets	(142)	(100)
- property, plant and equipment	(581)	(4,720)
Proceeds from disposal of:		
- property, plant and equipment	599	857
- subsidiary	-	565
Income received from short term funds	54	142
Interest income	2,131	2,011
Net Investing Cash Flows	<u>(1,667)</u>	<u>(7,531)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of:		
- bank borrowings	73,979	23,262
- hire purchase	405	3,416
Finance costs	(9,582)	(8,433)
Repayment of:		
- bank borrowings	(79,587)	(82,633)
- hire purchase	(2,721)	(2,637)
Fixed deposits pledged as security values	(3,876)	(6,660)
Dividend paid	-	(5,096)
Net Financing Cash Flows	<u>(21,382)</u>	<u>(78,781)</u>
Net change in cash and cash equivalents	(31,456)	(34,568)
Effect of exchange rate changes	(97)	(2,288)
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>162,827</u>	<u>232,503</u>
Analysis of Cash and Cash Equivalents:-		
Cash and bank balances	79,009	170,180
Short term funds	62,923	60,104
Deposits with licensed banks	48,911	28,963
Bank overdrafts	(4,274)	(4,341)
	186,569	254,906
Less: Fixed deposits pledged as security values	(23,742)	(22,403)
Total	<u>162,827</u>	<u>232,503</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 29 FEBRUARY 2024

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 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



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INTERIM REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

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

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

- (ii) As of 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 Published 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 had any material effect on the current quarter under review.

A7. DEBT AND EQUITY SECURITIES

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



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INTERIM REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

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

A8. DIVIDEND PAID

There was no payment of dividends in the current quarter.

A9. SEGMENTAL REPORTING

9 Months ended 29 February 2024 (Current Financial Period)

	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	184,449	222,222	26,401	-	433,072
Results					
Segment results	(15,339)	49,375	4,368	(9,902)	28,502
Finance costs	(1,201)	(5,502)	(1,604)	(345)	(8,652)
Share of results of joint ventures	(217)	-	-	-	(217)
Profit/(Loss) before tax	(16,757)	43,873	2,764	(10,247)	19,633
Income tax expense					(7,905)
Profit for the financial period					11,728

9 Months ended 28 February 2023 (Previous Financial Period)

	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	190,678	172,238	19,206	-	382,122
Results					
Segment results	(12,749)	37,406	4,745	(10,724)	18,678
Finance costs	(1,300)	(6,475)	-	(417)	(8,192)
Share of results of joint ventures	(1,196)	-	-	-	(1,196)
Profit/(Loss) before tax	(15,245)	30,931	4,745	(11,141)	9,290
Income tax expense					(10,157)
Profit for the financial period					(867)

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.



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INTERIM REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

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
29/02/2024
RM'000**

38,383



GADANG HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

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 RM141.15 million, compared to RM123.98 million in the preceding year's corresponding quarter. Profit before tax increased to RM7.08 million compared to RM0.51 million in the preceding year's corresponding quarter.

Correspondingly, for the current year to date, revenue increased to RM433.07 million compared to RM382.12 million in the preceding year to date. The profit before tax increased to RM19.63 million compared to RM9.29 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 29/02/2024 RM'000	3 Months Ended 28/02/2023 RM'000	Variance %	9 Months Ended 29/02/2024 RM'000	9 Months Ended 28/02/2023 RM'000	Variance %
REVENUE						
Construction Division	63,256	60,817	4	184,449	190,678	-3
Property Division	69,298	56,932	22	222,222	172,238	29
Utilities Division	8,600	6,234	38	26,401	19,206	37
Investment Holding	-	-	-	-	-	-
	<u>141,154</u>	<u>123,983</u>	<u>14</u>	<u>433,072</u>	<u>382,122</u>	<u>13</u>
PROFIT/(LOSS) BEFORE TAX						
Construction Division	(4,355)	(13,169)	-67	(16,757)	(15,245)	10
Property Division	14,294	12,992	10	43,873	30,931	42
Utilities Division	(332)	340	>100	2,764	4,745	-42
Investment Holding	(2,531)	345	>100	(10,247)	(11,141)	-8
	<u>7,076</u>	<u>508</u>	<u>>100</u>	<u>19,633</u>	<u>9,290</u>	<u>>100</u>

Construction Division

Revenue for the current quarter increased to RM63.26 million, compared to RM60.82 million in the preceding year's corresponding quarter. The Division's loss before tax decreased to RM4.36 million compared to a loss before tax of RM13.17 million in the preceding year's corresponding quarter.

Revenue for the current year to date decreased to RM184.45 million compared to RM190.68 million in the preceding year to date, mainly due to the completion of certain projects. The loss before tax increased to RM16.76 million compared to the loss before tax of RM15.25 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.



GADANG HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

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 (Continued)

Property Division

In the current quarter, revenue increased to RM69.30 million compared to RM56.93 million in the preceding year's corresponding quarter. In line with that, profit before tax increased to RM14.29 million compared to RM12.99 million in the preceding year's corresponding quarter.

Revenue for the current year to date increased to RM222.22 million compared to RM172.24 million in the preceding year to date. Correspondingly, profit before tax increased to RM43.87 million compared to RM30.93 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 RM8.60 million for the current quarter compared to RM6.23 million in the preceding year's corresponding quarter. The Division recorded a loss before tax of RM0.33 million compared to a profit before tax of RM0.34 million in the preceding year's corresponding quarter.

Revenue for the current year to date increased to RM26.40 million compared to RM19.21 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 was lower at RM2.76 million compared to RM4.75 million in the preceding year to date, mainly due to higher operating costs for the 9MW mini-hydro power plant.

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

	Current Quarter 29/02/2024 RM'000	Preceding Quarter 30/11/2023 RM'000	Variance %
Revenue	141,154	162,443	-13
Operating profit	14,543	11,608	25
Profit before interest and tax	9,888	6,930	43
Profit before tax	7,076	3,747	89
Profit after tax	6,059	183	>100
Profit attributable to equity holders of the Company	6,471	1,401	>100

The Group's revenue decreased to RM141.15 million in the current quarter compared to RM162.44 million in the preceding quarter. This decrease was mainly due to lower construction work progress coupled with higher sale of completed properties in the preceding quarter. However, profit before tax increased to RM7.08 million in the current quarter compared to RM3.75 million in the preceding quarter, mainly due to the accretion of interest on trade receivables and favourable foreign exchange translation in the current quarter, offset by higher operating costs from the Construction and Utilities Divisions.



GADANG HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

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

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

In the final quarter of 2023, the Malaysian economy expanded by 3.0% (3Q 2023: 3.3%), slightly lower than the previous quarter. Household spending remained strong, supported by improved labour market conditions and reduced cost pressures. Investment activity grew due to ongoing projects and capacity expansions, despite a subdued manufacturing sector, particularly in the electrical and electronics industry. The services and construction sectors continued to expand, presenting growth opportunities for our Construction Division.

The Construction Division will continue to actively tender for new projects to replenish its order book as well as to focus on the timely execution and completion of ongoing projects. As of the reporting date, the Division outstanding book order stands at RM1.0 billion, which will be able to sustain its business for the next two (2) years.

On the property development front, the Group successfully launched Residensi Hana at Sungai Besi, Kuala Lumpur, in the second quarter of FYE 2024. With unbilled sales of about RM250.0 million, the Property Division is expected to deliver a strong performance in the current financial year.

The Utilities Division will continue to explore investment opportunities to build its concession asset base with recurring revenue streams. The construction of the 5.9MW a.c. solar photovoltaic energy generating facility located in Tawau, Sabah, is in progress, and is expected to contribute positively to the Group's revenue in FYE 2025.

The Group will continue to actively explore and seek out new business opportunities to expand and strengthen the Group's revenue, ensure the timely completion of ongoing projects, exercise prudence in business dealings, and implement various measures to improve operational efficiency to achieve long-term sustainable growth.



GADANG HOLDINGS BERHAD

199301023376 (278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

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

B4. PROFIT FORECAST AND PROFIT GUARANTEE

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

B5. TAXATION

Taxation comprises the following:

	3 Months Ended 29/02/2024 RM'000	9 Months Ended 29/02/2024 RM'000
Income tax expense:		
Malaysian income tax	(602)	(7,298)
Foreign income tax	(1,006)	(2,756)
Deferred tax	591	2,149
	<u>(1,017)</u>	<u>(7,905)</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.



GADANG HOLDINGS BERHAD

199301023376 (278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

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

B7. GROUP BORROWINGS

The details of the Group borrowings are as follows:

	As at 29/02/2024 RM'000	As at 31/05/2023 RM'000
(a) (i) Short Term Borrowings		
Revolving credit	87,767	35,687
Bank overdraft	4,274	4,146
Term loans	14,202	43,432
Hire purchase payable	3,787	3,301
	<u>110,030</u>	<u>86,566</u>
(ii) Long Term Borrowings		
Term loans	101,622	130,417
Hire purchase payable	8,241	9,845
	<u>109,863</u>	<u>140,262</u>
Total Borrowings	<u>219,893</u>	<u>226,828</u>

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

	As at 29/02/2024		As at 31/05/2023	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
Singapore Dollar	2,320	8,200	2,837	9,679
Indonesian Rupiah	87,452,166	26,411	70,432,616	21,693
		<u>34,611</u>		<u>31,372</u>

Bank borrowings for the current year to date decreased slightly to RM219.89 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 15 April 2024, seven (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 29/02/2024	3 Months Ended 28/02/2023	9 Months Ended 29/02/2024	9 Months Ended 28/02/2023
Net profit attributable to ordinary equity holders of the Company (RM'000)	6,471	(4,960)	14,080	(1,619)
Weighted average number of ordinary shares in issue ('000)	728,061	728,061	728,061	728,061
Basic earnings per share (sen)	0.89	(0.68)	1.93	(0.22)

(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:

	3 Months Ended 29/02/2024 RM'000	9 Months Ended 29/02/2024 RM'000
Depreciation	431	1,618
Finance costs	541	930
Gain on disposal of property, plant and equipment	-	(71)
Rental of land and premises	290	886
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Total comprehensive income for the financial period was derived after charging/(crediting) the following items:

	3 Months Ended 29/02/2024 RM'000	9 Months Ended 29/02/2024 RM'000
Accretion of interest on trade receivables	(5,611)	(7,341)
Bad debts written off	2	2
Depreciation	4,655	12,490
Fair value gain on quoted investments	-	(180)
Finance costs	2,812	8,652
Gain on disposal of property, plant and equipment	(62)	(830)
Impairment loss on trade receivables	624	624
Income received from short term funds	(16)	(54)
Interest income	(871)	(2,131)
Net unrealised (gain)/loss on foreign exchange	(351)	763
Reversal of impairment on trade and non-trade receivables	-	(173)
Reversal of impairment on concession assets	-	(20)
Property, plant and equipment written off	37	37
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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.