

**CABNET HOLDINGS BERHAD**  
**Registration No: 201401045803 (1121987-D)**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM REPORT FOR THE 3-MONTHS FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORT**

**A1 Basis of Preparation**

This condensed consolidated interim financial statement (“Condensed Report”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting, Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended (“FYE”) 29 February 2024. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the FYE 29 February 2024.

**A2 Significant Accounting Policies**

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted as disclosed in the audited financial statements for the FYE 29 February 2024, except for the adoption of the followings:

<b>MFRS, Amendments to MFRS and Interpretation</b>
<p><u>Effective from 1 January 2024</u></p> <ul style="list-style-type: none"><li>• Amendments to MFRS 16, Lease Liability in a Sale and Leaseback</li><li>• Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current</li><li>• Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants</li><li>• Amendments to MFRS 107 and MFRS 7, Supplier Finance Agreements</li></ul> <p><u>Effective from 1 January 2025</u></p> <ul style="list-style-type: none"><li>• Amendment to MFRS 121, Lack of Exchangeability</li></ul> <p><u>Effective date yet to be confirmed</u></p> <ul style="list-style-type: none"><li>• Amendments to MFRS 10 and MFRS 128, Sales or Contribution of between an Investor and its Associate or Joint Venture</li></ul>








The adoption of the above pronouncements will have no material impact to the Group.

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**A3 Auditors’ Report of preceding annual financial statements**

The preceding year’s audited financial statements of the Group did not contain any qualification.

**A4 Seasonal or Cyclical Factors Affecting Operations**

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

**A5 Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows**

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

**A6 Material Changes in Estimates**

There were no changes in estimates that have a material effect in the current financial quarter and financial period under review.

**A7 Changes in Debt and Equity Securities**

There were no issuances, cancellations, repurchase, resale or repayment of debts and securities during the financial quarter and financial period under review.

**A8 Dividends paid**

No dividend has been paid during the current quarter under review.

**A9 Segmental Reporting**

(i) Operating Segments

Information about operating segments has not been reported separately as the Group activities are mainly confined to a single operating segment predominantly operates in Malaysia. The Group is principally involved in the provision of mechanical and electrical engineering services, structured cabling works, ELV systems and ICT services.

(ii) Geographical Segment

No segmental information is provided on a geographical basis as the Group's activities are conducted primarily in Malaysia.

**A10 Material Events Subsequent to the end of the Reporting Period**

There were no material events subsequent to the end of the current financial period up to the date of this report that have not been reflected in this interim financial report.

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**A11 Changes in the Composition of the Group**

There were no changes in the composition of the Group in the current financial quarter and financial period under review.

**A12 Contingent Liabilities and Contingent Assets**

As at 31 May 2024, save as disclosed below, the Group and the Company has no pending material contingent liabilities that, upon becoming enforceable, may have a material impact on our financial performance and or position.

	<b>As at 31 May 2024</b>
	<b>RM’000</b>
<b><u>Secured</u></b>	
Bank guarantees given to third parties in relation to contracts and trade performance	3,058
<b><u>Unsecured</u></b>	
Corporate guarantees given by the Company to licensed banks and suppliers in relation to credit facilities – current exposure	29,692

The bank guarantees are tender bonds (on submission of tender) and performance bond (upon award of contracts). To date, our Group has not experienced any enforcement of guarantees arising from non-performance of projects.

The Group has no contingent assets as at 31 May 2024.

**A13 Capital Commitment**

Capital commitment for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 May 2024 was as follow:

	<b>As at 31 May 2024</b>
	<b>RM’000</b>
Purchase of property, plant and equipment	12,988

**A14 Significant related party transactions**

There were no significant related party transactions in the current financial period under review.

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**PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1 Review of Performance**

Comparison of the current year quarter to preceding year corresponding quarter

	Current year quarter ended 31 May 2024 RM'000	Preceding year quarter ended 31 May 2023 RM'000
<u>Revenue</u>	RM'000	RM'000
Construction contracts	36,434	19,334
Sales of goods and services	7,266	4,932
Total	43,700	24,266

Our Group's revenue reported higher by RM19.43 million or 80.06% to RM43.70 million for current financial quarter, primarily driven by higher revenue contribution from construction contracts activities, which recorded RM36.43 million as compared to RM19.33 million for preceding year corresponding quarter.

The Group recorded gross profit of RM4.89 million in current financial quarter as compared to RM3.07 million in the preceding year corresponding quarter was principally due to higher of revenue.

Collectively of higher revenue and gross profit recorded and coupled with lower selling and administrative expenses, our Group reported higher profit before tax for the current quarter of RM1.90 million as compared to RM0.22 million for preceding year corresponding quarter.

**B2 Material Changes in Profit/(Loss) before Taxation for the Current Quarter with Immediate Preceding Quarter**

	Current Quarter Ended 31 May 2024 RM'000	Preceding Quarter Ended 29 February 2024 RM'000
Revenue	43,700	61,537
Profit before tax	1,903	1,262

For the current financial quarter ended 31 May 2024, the Group revenue decreased by approximately RM17.84 million as compared to the preceding quarter ended 29 February 2024 mainly due to ramping down of project's progress at Northern region, hence lower revenue contribution from construction contracts.

The Group reported a higher profit before tax of RM1.90 million for the current financial quarter despite of lower revenue mostly because of the one-off adjustment such as written off contract assets and revision of projects budgeted cost took place in preceding quarter. As result current quarter reported higher gross profit. Additionally, the Group reported lower impairment provision on financial instruments for current financial quarter.

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**B3 Prospects Commentary for the financial year ending 28 February 2025**

The Group is encouraged by the on-going development in Malaysia Peninsular Southern and Northern region. Firstly, with the effect of Johor Bahru–Singapore Rapid Transit System (“RTS”) project progress, there will be more investment and development at southern region to build new apartment, setting up of factory and new data centre. This is an opportunity for the Group as it creates demand for the M&E, ELV and ICT services. Meanwhile, with the continuing expansion plan of semiconductor industry at Northern region, the Group is confident with its strategic positioning to capitalise on opportunities from this expansion trend.

Additionally, with the trend of moving toward digital transformation, we believe our Group will be benefited due to increase market demand for upgrade ICT infrastructure and system to enhance organisation cybersecurity as well as ensure ICT systems availability as part of business continuity planning during unplanned event. As such the Group will remain focused on its core business for the coming years and shall do its best in securing viable projects to create sustainable growth of order book and improve the Group’s performance.

As of current quarter ended 31 May 2024, the order book on hand reported at approximately RM80 million.

**B4 Variance of Actual Profit from Forecast Profit & Shortfall on Profit Guarantee**

There is no profit forecast prepared for public release and no profit guarantee provided by the Group for the current financial period.

**B5 Taxation**

	Quarter ended 31.05.2024	Year-to-date 31.05.2024
	RM'000	RM'000
Income tax:		
- current year	(592)	(592)
	(592)	(592)
Deferred tax expense	8	8
Tax expense	(584)	(584)

The Group’s effective tax rate for the current financial quarter and for the current financial year are higher than statutory tax rate of 24% mainly due to certain expense are not tax-deductible and unrecognition of deferred tax asset for certain subsidiaries’ unutilised business loss.

**B6 Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 19 July 2024 being a date not earlier than 7 days from the date of issue of this quarterly report.

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**PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B7 Group Borrowings and Debt Securities**

As at 31 May 2024, our Group's total outstanding borrowings, all of which are interest-bearing, were as follows:

	<b>RM'000</b>
<b>(a) Short-term borrowings</b>	
<u>Secured</u>	
Bankers' acceptance	8,550
Finance lease liabilities	560
Structured Commodity Financing-i	13,869
Term loans	426
<u>Unsecured</u>	
Finance lease liabilities	30
<b>Total short-term borrowings</b>	<b>23,435</b>
<b>(b) Long-term borrowings</b>	
<u>Secured</u>	
Finance lease liabilities	720
Term loans	3,459
<u>Unsecured</u>	
Finance lease liabilities	17
<b>Total long-term borrowings</b>	<b>4,196</b>
<b>Total borrowings</b>	<b>27,631</b>

All the above borrowings are denominated in Ringgit Malaysia.

**B8 Changes in Material Litigation**

There is no pending material litigation as at 19 July 2024 being a date not earlier than 7 days from the date of this quarterly report.

**B9 Dividend**

No dividend has been declared, recommended or paid during the quarter under review.

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**B10 Earnings per Share**

The basic and diluted earnings per share are calculated as follows:

	Quarter ended 31.05.2024	Year-to-date 31.05.2024
Earnings for the period attributable to ordinary holders of the Company (RM'000)	1,319	1,319
Weighted average number of ordinary shares in issue ('000)	178,750	178,750
Earnings per share (Basic & Diluted) (sen)	0.74	0.74

**B11 Derivative**

The Group did not enter any derivative during the current quarter under review.

**B12 Disclosure of gains/losses arising from fair value changes of financial liabilities**

The Group did not have any financial liabilities measured at fair value through profit and loss for the current quarter under review.

**B13 Authorised for issue**

This interim financial statement was authorised by the Board of Directors in accordance with the resolution of the Directors on 26 July 2024.

By Order of the Board,

Lee Wee Hee (MAICSA 0773340)  
SSM Practicing Certificate No. 201908004010  
Company Secretary  
Johor Bahru  
Date: 26 July 2024  
c.c. Securities Commission