



NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statements of Comprehensive Income⁽¹⁾ for the Third Quarter Ended 30 September 2024

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Year-to-date
		30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Revenue		1,352,465	165,581	2,239,184	466,719
Cost of sales		(1,316,630)	(135,071)	(2,119,075)	(385,774)
Gross profit		35,835	30,510	120,109	80,945
Other income		76,914	2,088	82,870	10,152
Administrative expenses		(18,432)	(10,149)	(45,215)	(32,907)
Operating profit		94,317	22,449	157,764	58,190
Finance costs		(6,708)	(2,020)	(13,577)	(7,760)
Finance income		5,602	529	7,603	2,118
Share of profit from an associate		-	1	2	3
Profit before tax	B12	93,211	20,959	151,792	52,551
Income tax	B5	(31,946)	(3,681)	(39,859)	(7,662)
Profit after tax		61,265	17,278	111,933	44,889
Profit attributable to:					
- Owners of the Company		46,585	17,278	96,130	44,889
- Non-controlling interest		14,680	-	15,803	-
		61,265	17,278	111,933	44,889
Total comprehensive profit attributable to:					
- Owners of the Company		46,585	17,278	96,130	44,889
- Non-controlling interest		14,680	-	15,803	-
		61,265	17,278	111,933	44,889
Earnings per share ('EPS')					
- Basic (sen) ⁽²⁾	B11	2.05	0.83	4.22	2.16

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.
- (2) Administrative expenses for preceding year corresponding year-to-date included non-recurring listing expenses of RM3.84 million. For illustration purposes only, the Group's normalised financial performance after adjusting for the non-recurring listing expenses is as follow:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- to-date	Preceding Year Corresponding Year-to-date
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Profit before tax	93,211	20,959	151,792	52,551
Add : Listing expenses	-	-	-	3,840
Adjusted profit before tax	93,211	20,959	151,792	56,391

- (3) Basic earnings per share ("EPS") is calculated based on the Company's share capital of 2,276,302,610 shares in issue (30 September 2023 : 2,073,933,300 ordinary shares). There are no dilutive instruments as at the end of the current quarter.

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statements of Financial Position⁽¹⁾**As at 30 September 2024**

		(Unaudited) As at 30.09.2024 RM'000	(Audited) As at 31.12.2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		316,713	245,560
Right-of-use assets		5,216	8,084
Investment properties		14,585	14,813
Investment in an associate		397	395
		<u>336,911</u>	<u>268,852</u>
Current assets			
Inventories		1,216,415	230,224
Trade receivables		402,358	132,688
Contract assets		10,304	8,382
Other receivables, deposits and prepayments		15,105	17,811
Investment securities		186	295
Other investments		1,011	-
Short term deposits with licensed banks		10	20,687
Cash and bank balances		976,263	55,914
		<u>2,621,652</u>	<u>466,001</u>
TOTAL ASSETS		<u>2,958,563</u>	<u>734,853</u>
EQUITY AND LIABILITIES			
Share capital		698,358	304,540
Merger reserve		(133,361)	(133,361)
Non-controlling interest		23,111	7,308
Retained profits		323,646	243,569
Total equity		<u>911,754</u>	<u>422,056</u>
Non-current liabilities			
Borrowings	B8	33,260	23,064
Lease liabilities		1,491	4,539
Deferred tax liabilities		18,406	9,600
		<u>53,157</u>	<u>37,203</u>
Current liabilities			
Trade payables		1,366,064	129,232
Contract liabilities		75,962	595
Other payables and accruals		74,593	45,642
Borrowings	B8	446,148	94,239
Lease liabilities		3,909	3,753
Income tax payable		26,976	2,133
		<u>1,993,652</u>	<u>275,594</u>
Total liabilities		<u>2,046,809</u>	<u>312,797</u>
Total equity and liabilities		<u>2,958,563</u>	<u>734,853</u>
Net assets per share (sen) ⁽²⁾		<u>40.05</u>	<u>20.35</u>
Gearing ratio (times)		0.53	0.28

NOTES:

(1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

(2) Net assets per share is calculated based on the Company's number of ordinary shares in issue of 2,276,302,610 shares (31 December 2023 : 2,073,933,300 shares).

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statements of Changes in Equity⁽¹⁾
for the Period Ended 30 September 2024**

		<u>Distributable</u>				
	Share Capital RM'000	Merger Reserve RM'000	Retained Profits RM'000	Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
<u>9 months ended 30 September 2024</u>						
At 1 January 2024 (Audited)	304,540	(133,361)	243,569	414,748	7,308	422,056
Issuance of shares	397,316	-	-	397,316	-	397,316
Share issuance expenses	(3,498)	-	-	(3,498)	-	(3,498)
Dividend	-	-	(16,060)	(16,060)	-	(16,060)
Foreign currency translation differences for foreign operations			7	7	-	7
Total comprehensive income for the financial period	-	-	96,130	96,130	15,803	111,933
At 30 September 2024 (Unaudited)	698,358	(133,361)	323,646	888,643	23,111	911,754

NOTES:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

[The remainder of this page is intentionally left blank]

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statements of Cash Flows⁽¹⁾
for the Period Ended 30 September 2024**

	Current Year-to-date 30.09.2024 RM'000	Preceding Year Corresponding Year-to-date 30.09.2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	151,792	52,551
Adjustments for: -		
Accretion of interest	181	-
Allowance for slow moving inventories	60	101
Depreciation of property, plant and equipment	33,351	27,854
Depreciation of right-of-use assets	2,868	3,294
Depreciation of investment properties	228	228
Dividend income	(3)	-
Fair value loss on investment securities	99	60
Loss/(Gain) on disposal of property, plant and equipment	10	(86)
Interest expense	13,396	7,760
Interest income	(7,603)	(2,118)
Listing expenses	-	3,840
Share of gain from associate	(2)	(3)
Unrealised gain on foreign exchange	(140,236)	(3,075)
Operating profit before working capital changes	54,141	90,406
Net changes in:		
Inventories	(986,250)	(32,529)
Receivables	(273,705)	56,175
Payables	1,375,705	(13,508)
Contract assets	(1,922)	21,049
Contract liabilities	75,368	(8,206)
Cash generated from operation	243,337	113,387
Income tax paid	(6,209)	(9,238)
Income tax refund	-	540
Interest paid	(13,396)	(7,495)
Net cash generated from operating activities	223,732	97,194
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	3	-
Interest received	7,576	1,977
Withdrawal / (Placement) of fixed deposits with a licensed bank	10,768	(3,000)
Placement of money market fund	(1,002)	-
Proceeds from disposal of property, plant and equipment	28	1,127
Purchase of property, plant and equipment	(104,542)	(40,532)
Net cash used in investing activities	(87,169)	(40,428)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(16,060)	(31,109)
Payment of lease liabilities	(3,073)	(3,473)
Payment of listing expenses	(3,498)	(7,608)
Proceed from issuance of shares	397,316	165,500
Drawdown / (Repayment) of bankers' acceptance	407,245	(87,751)
Repayment of term loan	2,863	(86,418)
Repayment of revolving credit	-	(6,000)
Repayment of hire purchase	(10,950)	(13,311)
Net cash generated from / (used in) financing activities	773,843	(70,170)

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statements of Cash Flows⁽¹⁾
for the Period Ended 30 September 2024 (Cond't)**

	Current Year-to-date 30.09.2024 RM'000	Preceding Year Corresponding Year-to-date 30.09.2023 RM'000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	910,406	(13,404)
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND BANK BALANCES	7	-
CASH AND CASH EQUIVALENTS AT BEGINNING	65,860	46,869
CASH AND CASH EQUIVALENTS AT END	976,273	33,465
Represented by:		
Cash and bank balances	976,263	17,318
Short term deposits with licensed banks	10	25,830
Less: Deposits pledge with licensed bank	-	(9,683)
	976,273	33,465

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flow is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

[The remainder of this page is intentionally left blank]

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

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

A1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Boards (“MASB”) and Paragraph 9.22 of Listing Requirements of Bursa Securities.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of NGH and its subsidiaries and associated company (“Group”) since the financial year ended 31 December 2023.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Group’s audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

Amendments to MFRS 101 Presentation of Financial Statements - Non-Current Liabilities with Covenants

Amendments to MFRS 107 Statements of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements.

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The adoption of the above MFRSs and amendments to MFRSs are not expected to have any material impact on the financial statements of the Group upon initial application.

A3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2023.

A4. SEASONAL OR CYCLICAL FACTORS

The Group’s operation was not significantly affected by any unusual seasonal or cyclical factors.

A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial period ended 30 September 2024.

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect in the current financial year to date.

A7. DEBT AND EQUITY SECURITIES

On 12th August 2024, the Company had issued a total of 202,369,310 new ordinary shares at an issue price of RM1.96 per share pursuant to placement of new ordinary shares to independent third party investors.

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.

A8. DIVIDEND PAID

The final single tier dividend of 0.25 sen per ordinary share amounting to RM5,184,833.11 for the financial year ended 31 December 2023 that was declared on 29 February 2024 was paid on 16 July 2024.

The first single tier interim dividend of 0.25 sen per ordinary share amounting to RM5,184,833.11 for the financial year ending 31 December 2024 that was declared on 31 May 2024 was paid on 15 August 2024.

The second single tier interim dividend of 0.25 sen per ordinary share amounting to RM5,690,756.53 for the financial year ending 31 December 2024 that was declared on 29 August 2024 was paid on 30 September 2024.

A9. SEGMENTAL INFORMATION

The Group is an electronic manufacturing services (“EMS”) provider focusing on the assembly and testing of electronic components and products to produce completed printed circuit boards (“PCB”), semi-finished sub-assemblies and fully-assembled electronic products, as well as semiconductor devices.

For management purposes, the Group is organised into business units based on their nature of businesses and customer segment as well as geographical sales contribution.

Segmental information is provided based on contribution by business units based on their nature of businesses and customer segment as well as by geographical factors.

(a) Contribution by customer segment

By customer segments	Current Year	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year-To-	Corresponding
	30.09.2024	Quarter	Date	Year-To-Date
	RM'000	30.09.2023	30.09.2024	30.09.2023
		RM'000	RM'000	RM'000
Networking and telecommunications	107,417	76,663	307,695	228,585
Industrial instruments	25,133	25,404	75,783	66,592
Data computing	1,189,920	28,522	1,776,211	77,129
Consumer electronics	5,392	6,800	9,690	17,275
Automotive	12,135	13,689	36,733	37,316
Semiconductor	-	9,975	6,937	25,068
Others ⁽¹⁾	12,468	4,528	26,135	14,754
Total	1,352,465	165,581	2,239,184	466,719

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

A9. SEGMENTAL INFORMATION (Cont'd)

(b) Contribution by geographical factors

Countries	Current Year	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year-To-	Corresponding
	30.09.2024	30.09.2023	Date	Year-To-Date
	RM'000	RM'000	30.09.2024	30.09.2023
			RM'000	RM'000
Malaysia	457,995	90,392	893,984	270,279
Singapore	794,220	28,091	1,143,009	77,825
USA	12,837	6,510	44,129	19,383
Germany	9,764	12,729	37,259	28,961
Australia	3,037	4,688	10,993	13,547
Other Asian countries ⁽²⁾	48,032	19,498	78,820	43,653
Other European countries ⁽³⁾	5,373	3,593	8,912	11,419
Other North American countries ⁽⁴⁾	346	80	1,217	1,652
Other African Country ⁽⁵⁾	20,861	-	20,861	-
Total	1,352,465	165,581	2,239,184	466,719

Notes:

- (1) Mainly consists of manufacturers of medical devices, Internet of Things, household electronic products, analytical instrumentation devices and warehousing and storage services.
- (2) Other Asian countries include Taiwan, China, Vietnam, Thailand and India.
- (3) Other European countries include France, United Kingdom, and Denmark.
- (4) Other North America countries include Canada and Mexico.
- (5) Other African country includes Seychelles.

A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

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

A11. CHANGES IN COMPOSITION OF THE GROUP

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

A12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Save for the material litigation as disclosed in Note B8, there were no contingent liabilities or contingent assets in the Group since the date of the last annual statement of financial position.

A13. RELATED PARTY TRANSACTIONS DISCLOSURES

The following companies are related parties as they relate to companies in which one of the directors of the Group has substantial financial interest.

- VS Solution Services Sdn Bhd ("VS")
- SkyGate Sciences Sdn Bhd ("SC")
- SkyGate Precision Sdn Bhd ("SP")

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

Type of transactions	Related parties	Individual Quarter		Cumulative Period	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Year-To-Date
		30.09.2024	30.09.2023	30.09.2024	30.09.2023
		RM'000	RM'000	RM'000	RM'000
Purchase and installation of metal racking systems and machinery	VS	368	223	1,372	795
Purchase of spare parts and consumables for the Group's manufacturing activities	VS	61	144	135	261
Purchase of spare parts for maintenance of building and office equipment	VS	83	73	175	279
Purchase of spare parts and consumables for the Group's manufacturing activities	SP	2	-	54	-
Rental Expenses	SC	265	1,024	2,314	2,941

A14. CAPITAL COMMITMENTS

	(Unaudited) As at 30.09.2024 RM'000	(Audited) As at 31.12.2023 RM'000
Approved and contracted for:		
- Property, Plant and Equipment	91,857	53,557
	91,857	53,557

[The remainder of this page is intentionally left blank]

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

PART B – ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. REVIEW OF PERFORMANCE

	Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year- To-Date 30.09.2024 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2023 RM'000
Revenue	1,352,465	165,581	2,239,184	466,719
Gross Profit	35,835	30,510	120,109	80,945
Profit before interest and tax	94,317	22,449	157,764	58,190
Profit before tax	93,211	20,959	151,792	52,551
Profit after tax	61,265	17,278	111,933	44,889
Profit attributable to owners of the Company	46,585	17,278	96,130	44,889

Comparison with preceding year corresponding quarter

For the financial period ended 30 September 2024, the Group recorded RM1,352.5 million revenue, representing an increase of 716.8% from RM165.6 million revenue recorded in the preceding year corresponding quarter. This was mainly caused by the higher demand from Data Computing segment.

Consequently, both gross profit and profit before tax increased by 17.5% and 344.7% respectively. The improvement in profit was mainly attributed by increased in revenue. Decreased in gross profit margin derived from data computing segment mainly attributed to its significant key components cost.

Comparison with preceding year corresponding year-to-date

For the financial period ended 30 September 2024, the Group recorded RM2,239.2 million revenue, representing an increased of 379.8% from RM466.7 million revenue recorded in the preceding financial year-to-date. This was mainly caused by the higher demand especially from Data Computing segment.

Consequently, both gross profit and profit before tax increased by 48.4% and 188.8% respectively. The improvement in gross profit was mainly attributed by increased in revenue. Decreased in gross profit margin derived from data computing segment mainly attributed to its significant key components cost. Meanwhile, profit before tax improved mainly due to depreciation of USD against MYR which resulted in favorable unrealized foreign currency gain.

B2. COMPARISON WITH IMMEDIATE-PRECEDING QUARTER'S RESULTS

	Current Year Quarter 30.09.2024 RM'000	Current Year Preceding Quarter 30.06.2024 RM'000
Revenue	1,352,465	679,710
Gross Profit	35,835	50,016
Profit before interest and tax	94,317	38,906
Profit before tax	93,211	36,250
Profit after tax	61,265	29,813
Profit attributable to owners of the Company	46,585	28,538

The Group's revenue for the quarter under review has increased by 99.0% to RM1,352.5 million comparing to RM679.7 million in preceding quarter. Increase in revenue was mainly attributed by increase in revenue generated from Data Computing segments which increased by RM1,699.1 million.

The Group's gross profit decreased by 28.4% to RM35.8 million. Meanwhile, profit before tax for the quarter under review has increased by 157.1% to RM93.2 million mainly due to depreciation of USD against MYR which resulted in favorable unrealized foreign currency gain.

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

B3. PROSPECTS OF THE GROUP

The E&E industry secured investments worth RM85.4 billion (comprising 56.2% of approved investments in the manufacturing sector) in 2023 (2022: RM29.3 billion), signifying the strategic expansion of global E&E companies in Malaysia that are capitalising on the forecasted recovery in the global technology cycle and the projected 11.8% growth in global semiconductor sales by 2024. In 2023, E&E exports comprised RM575.4 billion or 40.4% of total exports. Under the Twelfth Malaysia Plan, the E&E industry is targeted to contribute RM120.0 billion to Malaysia's GDP in 2025, compared to RM86.1 billion in 2020.

As announced by Bank Negara Malaysia (BNM) on 17 May 2024, MALAYSIA is on track for further economic growth this year, following a 4.2 per cent upturn in the first quarter of 2024. Moreover, an analysis by Ratings Agency Malaysia projected a growth rate of 5.5 per cent in 2024, up from 3.7 per cent recorded in 2023. The manufacturing sector is one of the largest contributors to the Malaysian economy. As a leading player in Southeast Asia, the E&E industry is the backbone for Malaysia's manufacturing sector. The Malaysian Investment Development Authority (MIDA) reported that it accounted for 5.8 per cent of the GDP in 2023. It aims to contribute RM120 billion to the GDP and RM495 billion in export earnings by 2025.

Despite the challenges and risks faced in 2023, our Group remains optimistic and confident with the opportunities that lies ahead, particularly in the EMS industry, which are expected to experience notable developments and transformation driven by the following factors in 2024 and beyond:

- i.) More manufacturing operations to shift out of China exacerbated by the intensifying of US-China trade tension since 2018. This has benefited the ASEAN region underpinned by its geographic, demographic and regulatory advantages.
- ii.) Technological advancements where EMS industry continued to benefit from particularly in areas such as AI technologies, IoT, supercomputers, electric vehicles and data centers.
- iii.) Digital transformation enabled EMS providers to streamline production, improve quality control, and respond more effectively to changing customer demands and market dynamics.
- iv.) Increased enquiries from data center providers where with the proliferation of digital services, cloud computing and data driven technologies, there has been a surge in demand for data center infrastructure in Malaysia.

Barring any unforeseen circumstances, the Board of Directors of the Company ("**Board**") is optimistic about the future prospects of the Group.

B4. VARIANCE OF ACTUAL PROFITS FROM FORECAST PROFITS

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

B5. TAXATION

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current Year Quarter</u> <u>30.09.2024</u> <u>RM'000</u>	<u>Preceding Year Corresponding Quarter</u> <u>30.09.2023</u> <u>RM'000</u>	<u>Current Year- to-date</u> <u>30.09.2024</u> <u>RM'000</u>	<u>Preceding Year Corresponding Year-to-date</u> <u>30.09.2023</u> <u>RM'000</u>
In respect of current period:				
Income tax expense	31,946	3,681	39,859	7,662
Effective tax rate (%)	34.3	17.6	26.3	14.6
Statutory tax rate (%)	24.0	24.0	24.0	24.0

The Group's effective tax rate was higher than statutory tax rate as a result of deferred tax relating to the origination and reversal of temporary differences.

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

B6. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of this interim financial report.

B7. UTILISATION OF PROCEEDS FROM SHARE PLACEMENT

The gross proceeds of RM394.64 million from the Share Placement is intended to be utilised in the following manner:

Utilisation of proceeds	Propose	Percentage	Actual	Unutilised	Estimated timeframe for utilisation of proceeds upon Share Placement ⁽¹⁾
	Utilisation	of Utilisation	Utilisation	Amount	
	RM'000	%	RM'000	RM'000	
Working capital requirements	393,146	99.1	215,633	177,513	Within 12 months
Estimated listing expenses	3,498	0.9	3,498	-	Within 3 months
	<u>396,644</u>	<u>100.0</u>	<u>219,131</u>	<u>177,513</u>	

Notes:

(1) From the date of listing of share 12 August 2024.

B8. GROUP BORROWINGS AND DEBTS SECURITIES

As at 30 September 2024	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	RM'000
Secured			
Bankers' acceptance	-	408,281	408,281
Finance leases	13,238	12,634	25,872
Term loans	20,022	1,233	21,255
Revolving credit	-	24,000	24,000
Total	<u>33,260</u>	<u>446,148</u>	<u>479,408</u>

The bank borrowings are secured and denominated in both Ringgit Malaysia and US Dollar.

The currency profile of borrowing is as follows:

Currency Profile	USD'000	RM'000
US Dollar	68,955	283,234
Ringgit Malaysia	N/A	196,174
Total	<u>68,955</u>	<u>479,408</u>

B9. MATERIAL LITIGATION

There was no material litigation against the Group as at 30 September 2024.

B10. DIVIDENDS

On 29 February 2024, the Company proposed a final single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2023. The entitlement date and payment date are on 3 July 2024 and 16 July 2024 respectively.

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

On 31 May 2024, the Company proposed a first interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2024. The entitlement date and payment date are on 16 July 2024 and 15 August 2024 respectively.

On 29 August 2024, the Company proposed a second interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2024. The entitlement date and payment date are on 13 September 2024 and 30 September 2024 respectively.

On 27 November 2024, the Company proposed a third interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2024. The entitlement date and payment date are on 12 December 2024 and 27 December 2024 respectively.

B11. EARNINGS PER SHARE (“EPS”)

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Year-to-date
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Profit attributable to the Owners of the Company (RM'000)	46,585	17,278	96,130	44,889
Number of ordinary shares in issue ('000)	2,276,303	2,073,933	2,276,303	2,073,933
Basic EPS (sen)	2.05	0.83	4.22	2.16

B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Profit for the period was derived after taking into consideration of the following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Year-to-date
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
After charging/(crediting):				
Allowance for slow moving inventories	58	-	60	101
Depreciation of investment property	76	76	228	228
Depreciation of property, plant and equipment	11,556	9,764	33,351	27,854
Depreciation on right-of-use (“ROU”) assets	956	1,108	2,868	3,294
Fair value (gain)/loss on investment securities	(19)	-	99	60
Interest expense on:				
-Accretion of interest on lease liabilities	80	39	181	222
-Bankers' acceptance	5,828	562	10,616	1,855
-Bank overdraft	5	6	18	17
-Finance lease	393	738	1,328	2,315
-Revolving credit	290	35	850	191
- Term loans	181	642	584	3,162
Lease payment for:				

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

(Incorporated in Malaysia)

- Low value assets	7	20	45	56
- Short term leases	154	7	(276)	11
And crediting:				
Dividend income	-	-	3	3
(Loss)/gain on disposal of property, plant and equipment	-	-	(10)	86
Interest income	5,602	530	7,603	2,118
Rental income	526	405	1,346	1,357
Realised (loss)/gain on foreign exchange	(61,976)	3,035	(60,201)	4,024
Unrealised gain/(loss) on foreign exchange	138,197	(1,590)	140,236	3,075

B13. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 27 November 2024.

**BY ORDER OF THE BOARD
NATIONGATE HOLDINGS BERHAD**