



INGENIEUR
INGENIEUR GUDANG BERHAD

INGENIEUR GUDANG BERHAD

(formerly known as Dynaciate Group Berhad)

Registration No. 200601012544 (732294-W)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2022

INGENIEUR GUDANG BERHAD (formerly known as DYNACIATE GROUP BERHAD)
Registration No.: 200601012544 (732294-W)
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2022

| | As at 30-Nov-22 Unaudited RM'000 | As at 30-Nov-21 Audited RM'000 |
|---|---|---|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 3,885 | 31,749 |
| Investment properties | 110,016 | 60,000 |
| Investment in an associate | - | 6,514 |
| Intangible assets | 157 | - |
| Total non-current assets | <u>114,058</u> | <u>98,263</u> |
| Current assets | | |
| Trade and other receivables | 42,505 | 16,775 |
| Contract assets | 2,803 | 673 |
| Current tax assets | 36 | 20 |
| Deposits, cash and bank balances | 2,556 | 7,091 |
| | <u>47,900</u> | <u>24,559</u> |
| Asset classified as held for sale | 101,587 | - |
| Total current assets | <u>149,487</u> | <u>24,559</u> |
| Total assets | <u><u>263,545</u></u> | <u><u>122,822</u></u> |
| Equity | | |
| Share capital | 115,229 | 92,348 |
| Reserves | (12,741) | (31,533) |
| Total equity attributable to owners of the Company | <u>102,488</u> | <u>60,815</u> |
| Non-controlling interests | 6,000 | 6,000 |
| Total equity | <u>108,488</u> | <u>66,815</u> |
| Liabilities | | |
| Non-current liabilities | | |
| Other payables | - | 5,874 |
| Deferred tax liabilities | 857 | 1,615 |
| Loans and borrowings | 19,374 | 18,113 |
| Total non-current liabilities | <u>20,231</u> | <u>25,602</u> |
| Current liabilities | | |
| Trade and other payables | 81,761 | 28,052 |
| Contract liabilities | 2,945 | 904 |
| Current tax liabilities | 91 | - |
| Loans and borrowings | 50,029 | 1,449 |
| Total current liabilities | <u>134,826</u> | <u>30,405</u> |
| Total liabilities | <u>155,057</u> | <u>56,007</u> |
| Total equity and liabilities | <u><u>263,545</u></u> | <u><u>122,822</u></u> |
| Net assets per ordinary share attributable to owners of the Company (sen) | 10.37 | 8.17 |

The unaudited Condensed Consolidated Statement of financial position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2021 with the accompanying explanatory notes attached to the financial statements.

INGENIEUR GUDANG BERHAD (formerly known as DYNACIATE GROUP BERHAD)
Registration No.: 200601012544 (732294-W)
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2022

| | Individual period | | Cumulative period | |
|---|---|---|---|--|
| | Current period- quarter-ended 30-Nov-22 RM'000 | Preceding year corresponding quarter ended 30-Nov-21 RM'000 | Current year- to-date 30-Nov-22 RM'000 | Preceding year corresponding year ended 30-Nov-21 RM'000 |
| Revenue | 7,281 | 3,642 | 12,974 | 16,201 |
| Cost of sales | (3,769) | (3,252) | (6,143) | (15,234) |
| Gross profit | <u>3,512</u> | <u>390</u> | <u>6,831</u> | <u>967</u> |
| Other income | 616 | 731 | 1,247 | 1,850 |
| Administrative expenses | (943) | (786) | (4,032) | (4,146) |
| Other operating expenses | (897) | - | (2,244) | (2,054) |
| Fair value gain on investment properties | 1,771 | 18,968 | 19,071 | 18,968 |
| Finance costs, net | (1,039) | (935) | (2,597) | (1,395) |
| Share of loss of associate, net of tax | (33) | 24 | (65) | 14 |
| Profit before taxation | <u>2,987</u> | <u>18,392</u> | <u>18,211</u> | <u>14,204</u> |
| Income tax expense | (615) | (1,634) | 1,058 | (1,599) |
| Profit after taxation/Total comprehensive income for the financial period/year | <u><u>2,372</u></u> | <u><u>16,758</u></u> | <u><u>19,269</u></u> | <u><u>12,605</u></u> |
| Profit after taxation attributable to: | | | | |
| Owners of the Company | 2,372 | 16,758 | 19,269 | 12,605 |
| Non-controlling interests | - | - | - | - |
| | <u><u>2,372</u></u> | <u><u>16,758</u></u> | <u><u>19,269</u></u> | <u><u>12,605</u></u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 2,372 | 16,758 | 19,269 | 12,605 |
| Non-controlling interests | - | - | - | - |
| | <u><u>2,372</u></u> | <u><u>16,758</u></u> | <u><u>19,269</u></u> | <u><u>12,605</u></u> |
| Earnings per ordinary share (sen): | | | | |
| Basic | 0.24 | 2.47 | 2.14 | 1.93 |
| Diluted | N/A | N/A | N/A | N/A |

The unaudited Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2021 with the accompanying explanatory notes attached to the financial statements.

INGENIEUR GUDANG BERHAD (formerly known as DYNACIATE GROUP BERHAD) Registration No.: 200601012544 (732294-W)
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2022

| | <----- Attributable to owners of the Company -----> | | | | | | |
|--|---|------------------------------|-------------------------------|---|-----------------|----------------------------------|------------------------|
| | <----- Non-distributable -----> | | | Distributable (Accumulated losses)/ Retained earnings | | Non- controlling interests | |
| | Share capital RM'000 | Capital reserve RM'000 | Warrants reserve RM'000 | RM'000 | Total RM'000 | RM'000 | Total Equity RM'000 |
| At 1 December 2021 | 92,348 | (11,369) | 13,718 | (33,882) | 60,815 | 6,000 | 66,815 |
| Profit for the financial year | - | - | - | 19,269 | 19,269 | - | 19,269 |
| Issuance of ordinary shares pursuant to acquisition of MGudang Sdn Bhd | 17,295 | - | - | - | 17,295 | - | 17,295 |
| Issuance of ordinary shares pursuant to debt settlement | 4,500 | - | - | - | 4,500 | - | 4,500 |
| Issuance of ordinary shares pursuant to conversion of ICPSs | 1,086 | (477) | - | - | 609 | - | 609 |
| Transactions with owners of the Company | 22,881 | (477) | - | - | 22,404 | - | 22,404 |
| At 30 November 2022 | 115,229 | (11,846) | 13,718 | (14,613) | 102,488 | 6,000 | 108,488 |
| At 1 December 2020 | 76,696 | (10,833) | 13,718 | (46,487) | 33,094 | 6,000 | 39,094 |
| Profit for the financial year | - | - | - | 12,605 | 12,605 | - | 12,605 |
| Issuance of ordinary shares pursuant to private placement | 14,392 | - | - | - | 14,392 | - | 14,392 |
| Issuance of ordinary shares pursuant to conversion of ICPSs | 1,260 | (536) | - | - | 724 | - | 724 |
| Transactions with owners of the Company | 15,652 | (536) | - | - | 15,116 | - | 15,116 |
| At 30 November 2021 | 92,348 | (11,369) | 13,718 | (33,882) | 60,815 | 6,000 | 66,815 |

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2021 with the accompanying explanatory notes attached to the financial statements.

INGENIEUR GUDANG BERHAD (formerly known as DYNACIATE GROUP BERHAD)
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(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2022

| | Current period- to-date 30-Nov-22 RM'000 | Preceding year corresponding period ended 30-Nov-21 RM'000 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit before tax | 18,211 | 14,204 |
| Adjustments for: | | |
| Bargain purchase from acquisition of subsidiaries | (183) | - |
| Depreciation on property, plant and equipment | 1,681 | 2,054 |
| Fair value gain on investment properties | (19,071) | (18,968) |
| Gain on disposal of property, plant and equipment | (73) | - |
| Interest expense | 2,597 | 1,395 |
| Interest income | (18) | (11) |
| Impairment of contract assets | 563 | - |
| Reversal of impairment of contract assets | - | (1,070) |
| Share of loss/(profit) of equity accounted associate | 65 | (14) |
| Operating profit/(loss) before working capital changes | <u>3,772</u> | <u>(2,410)</u> |
| Changes in working capital: | | |
| Increase in trade and other receivables | (10,286) | (1,293) |
| (Increase)/Decrease in contract assets | (2,693) | 15,194 |
| Increase/(Decrease) in trade and other payables | 19,252 | (7,328) |
| Increase/(Decrease) in contract liabilities | 2,039 | (259) |
| Cash generated from operations | <u>12,084</u> | <u>3,904</u> |
| Income taxes paid | (100) | (11) |
| Income taxes refunded | - | 36 |
| Net cash generated from operating activities | <u>11,984</u> | <u>3,929</u> |
| Cash flows from investing activities | | |
| Acquisition of subsidiaries, net of cash acquired | (484) | - |
| Acquisition of an associate | - | (6,500) |
| Acquisition of property, plant and equipment | (17) | (4) |
| Acquisition of investment properties | (66,465) | (382) |
| Interest received | 13 | 11 |
| Placement of fixed deposits | (405) | - |
| Proceeds from disposal of property, plant and equipment | 2,000 | - |
| Net cash used in investing activities | <u>(65,358)</u> | <u>(6,875)</u> |
| Cash flows from financing activities | | |
| Interest paid | (2,022) | (913) |
| Drawdown of term loan, net of repayment | 51,165 | - |
| Proceeds from issuance of ordinary shares pursuant to conversion of ICPS | 609 | 724 |
| Proceeds from issuance of ordinary shares pursuant to private placement | - | 14,391 |
| Repayment to directors | - | (26) |
| Repayment of banker acceptances, net of drawdown | (806) | (5,788) |
| Repayment of finance lease liabilities | (517) | (585) |
| Net cash generated from financing activities | <u>48,429</u> | <u>7,803</u> |
| Net (decrease)/increase in cash and cash equivalents | (4,945) | 4,857 |
| Cash and cash equivalents as at beginning of financial year | <u>7,091</u> | <u>2,234</u> |
| Cash and cash equivalents as at end of financial year | <u><u>2,146</u></u> | <u><u>7,091</u></u> |
| Cash and cash equivalents comprise of:- | | |
| Cash and bank balances | 2,137 | 7 |
| Short term deposits with licensed banks | 419 | 7,084 |
| Deposits, cash and bank balances | <u>2,556</u> | <u>7,091</u> |
| Less: Deposits with more than three months maturity | (410) | - |
| Cash and cash equivalents | <u><u>2,146</u></u> | <u><u>7,091</u></u> |

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2021 with the accompanying explanatory notes attached to the financial statements.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2022

PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and with IAS34, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 November 2021. These explanatory notes attached to the interim financial statements 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 30 November 2021.

The following are accounting standard and amendments of MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group.

MFRSs, interpretations and amendments effective for annual period beginning on or after 1 January 2021

- Amendment to MFRS 9, *Financial Instruments*
- MFRS 139, *Financial Instruments: Recognition and Measurement*
- MFRS 7, *Financial Instruments: Disclosures*
- MFRS 4, *Insurance Contracts*
- MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual period beginning on or after 1 April 2021

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provision, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 4, *Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9*
- MFRS 17 and Amendments to MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Initial Application of MFRS 17 and FRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a 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 Group plans to apply the abovementioned amendments, where applicable, in the respective financial years when the above amendments become effective.

A2. Qualification of financial statements

The auditor's report on the audited financial statements for the financial year ended 30 November 2021 was not qualified.

A3. Seasonal and cyclical factors

The business operations of the Group are not subject to seasonal or cyclical factors.

A4. Exceptional and extraordinary items

There were no items affecting assets, liabilities, equity, net income or cash flows that are exceptional or extraordinary due to their nature, size or incidence affecting the interim financial report.

A5. Changes in accounting estimates

There were no changes in estimates that had a material effect on the current financial period results.

A6. Debt and Equity Securities

Save as disclosed below, there were no issuance, cancellation, repurchases, resale and repayments of debts and equity securities during the financial year ended 30 November 2022.

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Notes to the Unaudited Interim Financial Report for the fourth quarter ended 30 November 2022

(Cont'd)

1. On 4 April 2022, the Company completed the proposed acquisition of MGudang Sdn. Bhd. (“MGSB”) from MMAG Holdings Berhad (“MMAG”) and proposed settlement of amount owing by MGSB to MMAG with the issuance and listing of 180,157,290 ordinary shares and 46,875,000 ordinary shares at an issue price of RM0.096 each to MMAG respectively; and
2. The Company issued 16,697,500 new ordinary shares at RM0.12 per ordinary shares arising from the conversion of 23,260,000 Irredeemable Convertible Preference Shares (“ICPSs”).

A7. Dividend Paid

No dividend was paid by the Company in the current financial period.

A8. Segmental information

The reportable segments of the Group are:

| | |
|--------------------------------|---|
| Property investment and others | Includes rental of investment properties |
| Construction | Includes construction, civil and mechanical engineering, architectural steel fabrication and installation works |

The Group operates principally in Malaysia.

The Group’s business is operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

| Financial year ended 30.11.2022 | Construction RM'000 | Property investment & others RM'000 | The Group RM'000 |
|---|------------------------|--|---------------------|
| External revenue | 7,862 | 5,112 | 12,974 |
| Results | | | |
| Profit before following adjustments: | 2,553 | 1,402 | 3,955 |
| Fair value gain on investment properties | - | 19,071 | 19,071 |
| Gain on disposal of property, plant and equipment | 73 | - | 73 |
| Impairment on contract assets | (563) | - | (563) |
| Interest income | 2 | 16 | 18 |
| Depreciation of property, plant and equipment | (1,675) | (6) | (1,681) |
| Share of loss of associate, net of tax | - | (65) | (65) |
| Segment results | 390 | 20,418 | 20,808 |
| Finance costs | | | (2,597) |
| Taxation | | | 1,058 |
| Profit after taxation | | | 19,269 |

| Financial year ended 30.11.2022 | Construction RM'000 | Property investment & others RM'000 | The Group RM'000 |
|--|--------------------------------|--|-----------------------------|
| As at 30.11.2022 | | | |
| <u>Assets</u> | | | |
| Segment assets | 42,725 | 220,784 | 263,509 |
| Unallocated assets | | | 36 |
| Consolidated total assets | | | <u>263,545</u> |
| <u>Liabilities</u> | | | |
| Segment liabilities | 43,522 | 111,444 | 154,966 |
| Unallocated liabilities | | | 91 |
| Consolidated total liabilities | | | <u>155,057</u> |

A9. Significant events during the financial period and subsequent events

Save as disclosed below, there were no significant events during the financial period and subsequent to the end of the interim period under review:

- On 1 March 2022, the Board announced that the Company proposes to undertake the private placement of up to 467,585,600 ordinary shares in IGB (“**Proposed 40% Private Placement**”). Subsequently, on 29 April 2022, the Company announced the revision of the numbers of shares to be issued under the private placement to up to 465,560,600 ordinary shares in IGB. Bursa Securities had granted its approval via letter dated 14 June 2022 for the listing of and quotation for the said placement shares on the Main Market of Bursa Securities. On 26 July 2022, shareholders of IGB had at the Company’s Extraordinary General Meeting (“**EGM**”) approved the placement exercise.

On 25 November 2022, the Company had submitted an application to Bursa Securities seeking its approval for an extension of time from 14 December 2022 to 13 June 2023 for the Company to complete the implementation of the Proposed 40% Private Placement. Bursa Securities had vide its letter dated 6 December 2022, resolved to grant the Company an extension of time until 13 June 2023 to complete the implementation of the Proposed 40% Private Placement.

On 7 December 2022, a total of 49,396,600 ordinary shares had been allotted to a placee.

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Notes to the Unaudited Interim Financial Report for the fourth quarter ended 30 November 2022

(Cont'd)

2. On 18 April 2022, the Company announced that its wholly owned subsidiary, Magnitude Resources Sdn. Bhd. (“**MRSB**”) had on 18 April 2022, entered into a sale and purchase agreement with Grand Century Construction Sdn. Bhd. for the proposed acquisition of all that piece of vacant freehold commercial land held under Geran 267432 Lot 60031, Pekan Seremban Jaya, Daerah Seremban, State of Negeri Sembilan with an area measuring approximately 4.913 acres for total consideration of RM13 million (“**Proposed Acquisition of Senawang Land**”). The Proposed Acquisition of Senawang Land was completed on 17 July 2022.
3. On 7 June 2022, The Company announced that its wholly owned subsidiary, Ingenieur EPCM Sdn. Bhd. (formerly known as Dynaciate SPI Sdn. Bhd.) (“**IESB**”) had, on even date, entered into the conditional sale and purchase agreement with MTrustee Berhad, as the trustee of CapitaLand Malaysia Trust for the disposal of the freehold land held under GM448, Lot 1628 and GM450, Lot 1630, both in Mukim 12, Tempat Ladang Valdor, Daerah Seberang Perai Selatan, Negeri Pulau Pinang together with the buildings erected thereon for the disposal consideration of RM80 million (“**Proposed Disposal of Penang Factory**”). On 5 September 2022, the Company obtained its shareholders approval for the Proposed Disposal of Penang Factory. On 14 December 2022, the Proposed Disposal of Penang Factory has been completed.
4. On 14 June 2022, the Board announced that MRSB had entered into a sale and purchase agreement with Powernet Industries Sdn. Bhd. for the proposed acquisition of all that piece of freehold industrial land held under Lot 10231, GM7196, Mukim of Bentong, District of Bentong, Pahang Darul Makmur with an area measuring approximately 23,550 square metres together with buildings erected thereon (including fixtures and fittings) for total cash consideration of RM12.0 million (“**Proposed Bentong Acquisition**”). The Proposed Bentong Acquisition was completed on 17 June 2022.
5. On 21 June 2022, the Board announced that MRSB had entered into a conditional sale and purchase agreement with Sime Darby Property (Nilai) Sdn. Bhd. for the acquisition of all that piece of freehold industrial land with a single storey detached factory with a two-storey office building identified as H.S (D) 252503, PT 33999 within Mukim Setul, District of Seremban, State of Negeri Sembilan measuring approximately 7,689.62 square metres in area for total cash consideration of RM15.0 million (“**Nilai Land Acquisition**”). The said acquisition is pending completion as at the date of this report.
6. On 26 July 2022, the Company obtained its shareholders approval for the proposed change of name of the Company from Dynaciate Group Berhad to Ingenieur Gudang Berhad. On 1 August 2022, the Company announced that it has changed its name to Ingenieur Gudang Berhad with effect from 27 July 2022, being the date of the Notice of Registration in Change of Name of Company issued by Companies Commission of Malaysia.

7. On 29 July 2022, the Board announced that its wholly owned subsidiary MGudang Properties Sdn. Bhd. (formerly known as Hong Seng Energy Sdn Bhd) (“**MPSB**”) had entered into a conditional sale and purchase agreement (“**SPA**”) with Paradise Boulevard Sdn. Bhd. for the proposed acquisition of 149 units of retail and commercial complex in the development known as Pandan Safari Lagoon Shopping Complex and Water Theme Park, erected on the leasehold land held under Master Title Pajakan Mukim 3918, Lot 45614 Seksyen 15, Pandan Perdana, Bandar Ampang, Daerah Hulu Langat, Negeri Selangor for a total cash consideration of RM9,070,000 (“**Pandan Safari Shopping Complex Acquisition**”). On 29 September 2022, both parties had mutually agreed to extend the duration for PBSB to obtain the Developer’s Confirmation Letter by another three (3) months from 29 September 2022 to 29 December 2022. On 29 December 2022, the condition precedents were not fulfilled and hence, MPSB had terminated the SPA.

8. On 1 August 2022, the Company announced that its wholly-owned subsidiary, MRSB had, on even date, entered into the sale and purchase agreement with Yuwang Development Sdn. Bhd. and Global Bloom for the proposed acquisition of a leasehold industrial land held under Master Title H.S. (D) 5721, PT 10557, Mukim Ijok, Daerah Kuala Selangor, Negeri Selangor, measuring in area 9.32 acre for total cash consideration of RM30.45 million (“**Proposed Puncak Alam Acquisition**”).

On 16 November 2022, the shareholders of the Company had at the EGM approved the Proposed Puncak Alam Acquisition. The said acquisition is pending completion as at the date of this report.

9. On 4 August 2022, the Company announced that its wholly-owned subsidiary, IESB had, on even date, entered into the sale and purchase agreement with Dynaciate Engineering Sdn. Bhd. for the disposal of:

- (i) a piece of leasehold industrial land held under HS(D) 516674 PT 216212 in Mukim Plentong, Daerah Johor Bahru, Negeri Johor together with buildings erected thereon for a cash consideration of RM16.6 million (“**Proposed Johor Premises Disposal**”); and
- (ii) a piece of leasehold industrial land held under HS(D) 46891 PT 20054 in Mukim Sungai Karang, Daerah Kuantan, Negeri Pahang together with buildings erected thereon for a cash consideration of RM9.4 million (“**Proposed Pahang Premises Disposal**”).

On 16 November 2022, the shareholders of the Company had at the EGM approved the Proposed Johor Premises Disposal and Proposed Pahang Premises Disposal. The said disposals are pending completion as at the date of this report.

A10. Changes in composition of the Group during the financial year ending 30 November 2022

Save as disclosed below, there were no other changes in the composition of the Group.

1. On 30 December 2021, the Company entered into a Share Sales Agreement (“SSA”) with Dato Seri Teoh Hai Hin to acquire 100% equity interest of 2 ordinary shares in Hong Seng Energy Sdn. Bhd. (currently known as MPSB) at cash consideration of RM2.00. The SSA was completed on 4 January 2022. MPSB is involve in property investment for the purpose of generating rental income.
2. On 4 April 2022, the Company has completed the proposed acquisition of MGudang Sdn. Bhd. from MMAG Holdings Berhad upon issuance and allotment of 180,157,290 new IGB shares and on even date, IGB has owned 100% of MGudang Sdn Bhd.
3. On 13 June 2022, the Company has incorporated a wholly owned subsidiary, MGudang Holdings Sdn. Bhd. with an initial paid-up capital of RM100.00.

A11. Contingent liabilities

As at 30 November 2022, the Company has issued corporate guarantees for banking facilities granted to subsidiaries of which RM8.72 million were utilised. Additionally, the Company has also issued corporate guarantees totalling RM2.00 million in favour of suppliers of a subsidiary, of which RM0.11 million were utilised.

A12. Capital commitment

| | As at 30.11.2022 |
|-----------------------------|-------------------------|
| | RM'000 |
| Approved and contracted for | |
| – Investment properties | <u>34,580</u> |

A13. Significant related party transactions

The summary for the significant related party transactions during the financial period under review is as follows:

| | Individual quarter ended | | Cumulative period ended | |
|---|---------------------------------|-------------------|--------------------------------|-------------------|
| | 30.11.2022 | 30.11.2021 | 30.11.2022 | 30.11.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Transactions with a substantial shareholder</u> | | | | |
| 1 Rental income | 99 | - | 264 | - |
| 2 Progress billings | 3,375 | - | 3,375 | - |
| <u>Transactions with a company in which certain directors of a subsidiary have a substantial financial interest</u> | | | | |
| 1 Progress billings | - | - | - | 19,903 |
| 2 Purchase of materials and consumables | - | - | - | (72) |
| 3 Personnel costs charged from | - | - | - | (339) |
| 4 Rental expense | - | - | (19) | (56) |
| 5 Usage of manpower or labour services | - | - | - | (611) |

A14. Changes in fair value of financial assets and liabilities, transfer and classification

There have been no significant changes in the business or economic circumstances that could affect the fair value of the Group's financial assets and financial liabilities in the current financial period under review.

A15. Status of corporate proposals and utilisation of proceeds

(a) Disposal of Penang Factory

As disclosed in Note A9 (3), on 5 September 2022, the Company obtained its shareholders approval for the Proposed Disposal of Penang Factory. As at the financial year ended 30 November 2022, a sum of approximately RM17.53 million had been received from the purchaser. The summary of the utilisation of the proceeds are as follows:

| As at 30.11.2022 | Intended timeframe for utilisation | Proposed proceeds utilisation (RM'000) | Actual proceeds utilisation (RM'000) | Balance proceeds unutilised (RM'000) |
|------------------------------|---|---|---|---|
| Property business | Within 36 months | 57,400 | 6,000 | 51,400 |
| Repayment of bank borrowings | Within 6 months | 9,400 | 9,400 | - |
| General working capital | Within 24 months | 13,000 | 2,133 | 10,867 |
| Defray estimated expenses | Within 3 months | 200 | - | 200 |
| | Total | 80,000 | 17,533 | 62,467 |

(b) 40% Private Placement

As disclosed in Note A9 (1), on 26 July 2022, the Company obtained its shareholders approval for the Proposed 40% Private Placement. As at the financial year ended 30 November 2022, no proceeds had been received from this corporate proposal yet.

(c) Disposals of Johor and Pahang Premises

As disclosed in Note A9 (9), on 16 November 2022, the Company obtained its shareholders approval for the Proposed Johor Premises Disposal and Proposed Pahang Premises Disposal. As at the financial year ended 30 November 2022, the said disposals have yet to be completed and no proceeds had been received from this corporate proposal.

A16. Fair value of financial instruments

| As at 30.11.2022 | Fair value of financial instruments not carried at fair value | | | | Carrying Amount |
|--|---|-------------------|-------------------|-----------------|-----------------|
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 | RM'000 |
| <u>Financial liabilities</u> | | | | | |
| Term loans | - | - | (29,000) | (29,000) | (29,000) |
| Finance lease liabilities | - | - | (295) | (295) | (295) |
| Other borrowings | - | - | (40,108) | (40,108) | (40,108) |
| Amount due to companies in which certain directors of a subsidiary have a substantial financial interest | - | - | (12,302) | (12,302) | (12,302) |
| | - | - | (81,705) | (81,705) | (81,705) |

The fair values above are for disclosure purposes and have been determined by the relevant cash flows using interest rates for similar instruments ranging from 3.52% to 4.75% (As at 30.11.2021: 3.27% to 4.25% per annum) per annum at the end of the reporting period.

PART B: OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

B1. Review of performance

| | Individual Quarter | | | | Cumulative Year | | | |
|--------------------------------------|--------------------|---------------|-----------------|-------------|-----------------|---------------|----------------|-------------|
| | 30.11.22 | 30.11.21 | Changes | | 30.11.22 | 30.11.21 | Changes | |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Revenue | | | | | | | | |
| - Construction | 5,110 | 2,822 | 2,288 | 81% | 7,862 | 15,121 | (7,259) | -48% |
| - Property Investment & Others | 2,171 | 820 | 1,351 | 165% | 5,112 | 1,080 | 4,032 | 373% |
| | 7,281 | 3,642 | 3,639 | 100% | 12,974 | 16,201 | (3,227) | -20% |
| Profit/(Loss) before taxation | | | | | | | | |
| - Construction | 726 | (426) | 1,152 | 270% | (316) | (3,954) | 3,638 | 92% |
| - Property Investment & Others | 2,261 | 18,818 | (16,557) | -88% | 18,527 | 18,158 | 369 | 2% |
| | 2,987 | 18,392 | (15,405) | -84% | 18,211 | 14,204 | 4,007 | 28% |

The Group posted revenue of RM7.28 million and profit before tax (“PBT”) of RM2.99 million for the fourth quarter ended 30 November 2022 (“Q4FY2022”) as compared to revenue of RM3.64 million and PBT of RM18.39 million for the fourth quarter ended 30 November 2021 (“Q4FY2021”).

The Group posted higher revenue compared to Q4FY2021 mainly due to increase work progress and new projects secured in construction segment in the fourth quarter of this financial year. PBT of RM0.73 million recorded during the quarter from the construction segment was mainly due to higher gross profit generated from the existing projects on hand. On the other hand, property investment segment continues to generate stable revenue of RM2.17 million during the current quarter under review. Property investment segment recorded PBT of RM2.26 million during the current quarter partly due to recognition of fair value gain of investment properties.

On the year-to-date basis, the Group posted revenue and PBT of RM12.97 million and RM18.21 million respectively as compared to revenue of RM16.20 million and PBT of RM14.20 million recorded in the financial year ended 30 November 2021. Revenue for this financial year was reduced by RM3.22 million as compared to the previous financial year mainly due to slow progress and lower orderbook in construction segment at the beginning of the financial year. The Company recorded a PBT of RM18.21 million for this financial year and an increase of RM4.01 million as compared to the previous financial year. This was mainly due to recognition of fair value gain from investment properties of RM19.07 million in view of appreciation of the Group’s properties as well as better margins generated from the projects in the construction segment.

B2. Variation of results against preceding quarter

| | Current quarter ended 30.11.22 RM'000 | preceeding quarter ended 31.08.22 RM'000 | Changes | |
|--------------------------------|--|---|-----------------|-------------|
| | | | RM'000 | % |
| Revenue | | | | |
| - Construction | 5,110 | 1,874 | 3,236 | 173% |
| - Property Investment & Others | 2,171 | 1,186 | 985 | 83% |
| | 7,281 | 3,060 | 4,221 | 138% |
| Profit before taxation | | | | |
| - Construction | 726 | 687 | 39 | -6% |
| - Property Investment & Others | 2,261 | 16,086 | (13,825) | 86% |
| | 2,987 | 16,773 | (13,786) | -82% |

The Group reported revenue and PBT of RM7.28 million and RM2.99 million respectively in Q4FY2022 as compared with revenue of RM3.06 million and PBT of RM16.77 million reported in the preceding quarter ended 31 August 2022 (“Q3FY2022”). The Group’s revenue has improved by RM4.22 million compared to Q3FY2022 mainly due to higher construction revenue recognised during the current quarter under review.

The property investment and other segment posted a PBT of RM2.26 million partly due to fair value gain recognised on investment property during the quarter.

B3. Prospects

The Board is of the view that manufacturing sector when reflecting to the current market climate will continue to grow. The Group’s continued investment in the industrial and commercial warehousing facilitation amongst the mid-term recalibration and construction planning activities will best position the Group, both strategically and operationally. The Group’s orderbooks for its construction segment is increasing, and we remain optimistic for the foreseeable future.

B4. Variance between actual profit and forecast profit

The Group has not issued any profit forecast or profit guarantee.

B5. Income tax expense

| | Individual quarter ended | | Cumulative year ended | |
|---|---------------------------------|-------------------|------------------------------|-------------------|
| | 30.11.2022 | 30.11.2021 | 30.11.2022 | 30.11.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| The income tax (expense)/ income consist of: | | | | |
| - Current tax | (18) | 20 | (132) | 17 |
| - Deferred tax | (597) | (1,654) | 1,190 | (1,616) |
| Income tax | (615) | (1,634) | 1,058 | (1,599) |

B6. Notes to the statement of profit or loss and other comprehensive income

| | Individual quarter ended | | Cumulative period ended | |
|--|---------------------------------|-------------------|--------------------------------|-------------------|
| | 30.11.2022 | 30.11.2021 | 30.11.2022 | 30.11.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>After charging/(crediting):</u> | | | | |
| Interest income | (1) | (4) | (18) | (11) |
| Bargain purchase from acquisition of subsidiaries | - | - | (183) | - |
| Fair value gain on investment properties | (1,771) | (18,968) | (19,071) | (18,968) |
| Share of loss/(profit) of equity accounted associate | 33 | (24) | 65 | (14) |
| Interest expense | 1,039 | 935 | 2,597 | 1,395 |
| Depreciation on property, plant and equipment | 335 | 513 | 1,681 | 2,054 |
| Gain on disposal of property, plant and equipment | - | - | (73) | - |
| Impairment of contract assets | 563 | - | 563 | - |
| Reversal of impairment of contract asset | - | - | - | (1,070) |

B7. Corporate proposals

Save as disclosed in Note A9, there were no other corporate proposal pending for completion as at the date of this report.

B8. Group's borrowings

The Group's borrowings as at 30 November 2022 are as follows:

| | Current Secured | Non-current Secured | Total |
|---------------------------|------------------------|----------------------------|---------------|
| | RM'000 | RM'000 | RM'000 |
| Term loans | 9,636 | 19,364 | 29,000 |
| Finance lease liabilities | 285 | 10 | 295 |
| Other borrowings | 40,108 | - | 40,108 |
| Total | 50,029 | 19,374 | 69,403 |

The above borrowings are denominated in Ringgit Malaysia.

B9. Material litigation

The Group was not engaged in any material litigation during the current financial quarter.

B10. Proposed dividend

The Board did not recommend any dividend for the current quarter and year ended 30 November 2022.

B11. Earnings per ordinary share

(a) Basic

The basic earnings per share of the Group is calculated by dividing the earnings attributable to owners of the Company by the weighted average number of ordinary shares in issue during the reporting period.

| | Individual Financial Quarter Ended | | Cumulative Financial Period Ended | |
|---|---|-------------------|--|-------------------|
| | 30.11.2022 | 30.11.2021 | 30.11.2022 | 30.11.2021 |
| Profit attributable to owners of the Company (RM'000) | 2,372 | 16,758 | 19,269 | 12,605 |
| Weighted average number ordinary shares ('000) | 987,916 | 677,938 | 901,759 | 652,257 |
| Basic earnings per share (sen) | 0.24 | 2.47 | 2.14 | 1.93 |

(b) Diluted

The diluted earnings per share of the Group is calculated from the profit attributable to owners of the Company divided by weighted average number of shares outstanding after adjustment for the effects of all dilutive potential ordinary shares during the financial year.

The diluted earnings per share of the Group were not presented as the effect of the assumed conversion of ICPS on the earnings per ordinary share is anti-dilutive. The effect of the assumed exercise of Warrants has not been considered as the exercise price of the Warrants is higher than the average market price of the Company's shares.

This report is dated 31st January 2023.