



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 31 MAY 2023

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 31 MAY 2023

	As at 31-May-23 Unaudited RM'000	As at 30-Nov-22 Audited RM'000
Assets		
Non-current assets		
Property, plant and equipment	3,373	3,886
Investment properties	158,316	132,348
Intangible assets	8,164	156
Total non-current assets	<u>169,853</u>	<u>136,390</u>
Current assets		
Trade and other receivables	12,870	14,465
Contract assets	146	2,803
Tax recoverable	83	45
Deposits, cash and bank balances	13,510	2,556
	<u>26,609</u>	<u>19,869</u>
Asset classified as held for sale	24,287	101,587
Total current assets	<u>50,896</u>	<u>121,456</u>
Total assets	<u><u>220,749</u></u>	<u><u>257,846</u></u>
Equity		
Share capital	140,496	115,229
Reserves	(8,524)	(12,743)
Total equity attributable to owners of the Company	<u>131,972</u>	<u>102,486</u>
Non-controlling interests	6,000	6,000
Total equity	<u>137,972</u>	<u>108,486</u>
Liabilities		
Non-current liabilities		
Deferred tax liabilities	857	857
Loans and borrowings	18,767	27,423
Total non-current liabilities	<u>19,624</u>	<u>28,280</u>
Current liabilities		
Trade and other payables	51,830	76,055
Contract liabilities	1,633	2,945
Current tax liabilities	99	99
Loans and borrowings	9,591	41,981
Total current liabilities	<u>63,153</u>	<u>121,080</u>
Total liabilities	<u>82,777</u>	<u>149,360</u>
Total equity and liabilities	<u><u>220,749</u></u>	<u><u>257,846</u></u>
Net assets per ordinary share attributable to owners of the Company (sen)	12.72	8.11

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 2022 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 31 MAY 2023

	Individual period		Cumulative period	
	Current period- quarter-ended 31-May-23 RM'000	Preceding year corresponding quarter ended 31-May-22 RM'000	Current year-to- date 31-May-23 RM'000	Preceding year corresponding year ended 31-May-22 RM'000
Revenue	4,573	1,770	12,939	2,633
Cost of sales	(2,518)	(441)	(7,980)	(534)
Gross profit	2,055	1,329	4,959	2,099
Other income	-	236	2,707	401
Administrative expenses	(1,199)	(1,660)	(2,181)	(2,271)
Other operating expenses	(256)	(464)	(514)	(973)
Results from operating activities	600	(559)	4,971	(744)
Finance income	22	1	98	10
Finance costs	(388)	(504)	(834)	(783)
Net finance costs	(366)	(503)	(736)	(773)
Operating profit/(loss)	234	(1,062)	4,235	(1,517)
Share of loss of associate, net of tax	-	-	-	(32)
Profit/(Loss) before tax	234	(1,062)	4,235	(1,549)
Income tax expense	-	(4)	-	(4)
Net profit/(loss) after taxation/Total comprehensive income for the financial period	<u>234</u>	<u>(1,066)</u>	<u>4,235</u>	<u>(1,553)</u>
Profit/(Loss) after taxation attributable to:				
Owners of the Company	234	(1,066)	4,235	(1,553)
Non-controlling interests	-	-	-	-
	<u>234</u>	<u>(1,066)</u>	<u>4,235</u>	<u>(1,553)</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	234	(1,066)	4,235	(1,553)
Non-controlling interests	-	-	-	-
	<u>234</u>	<u>(1,066)</u>	<u>4,235</u>	<u>(1,553)</u>
Earnings/(Loss) per ordinary share (sen):				
Basic	0.02	(0.12)	0.40	(0.19)
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 2022 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 31 MAY 2023

	<----- Attributable to owners of the Company ----->			<----- Non-distributable ----->		Distributable (Accumulated losses)/ Retained earnings	Total	Non- controlling interests	Total Equity
	Share capital RM'000	Capital reserve RM'000	Warrants reserve RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000	RM'000	
At 1 December 2022	115,229	(11,847)	13,718	(14,614)	102,486		6,000	108,486	
Profit for the period	-	-	-	4,235	4,235		-	4,235	
Issuance of ordinary shares pursuant to private placement	25,251	-	-	-	25,251		-	25,251	
Issuance of ordinary shares pursuant to conversion of Irredeemable Convertible Preference Shares ("ICPSs")	16	(16)	-	-	-		-	-	
Transactions with owners of the Company	25,267	(16)	-	-	25,251		-	25,251	
At 31 May 2023	140,496	(11,863)	13,718	(10,379)	131,972		6,000	137,972	
At 1 December 2021	92,348	(11,369)	13,718	(33,882)	60,815		6,000	66,815	
Profit for the financial year	-	-	-	19,268	19,268		-	19,268	
Issuance of ordinary shares pursuant to acquisition of subsidiaries	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	(478)	-	-	608		-	608	
Transactions with owners of the Company	22,881	(478)	-	-	22,403		-	22,403	
At 30 November 2022	115,229	(11,847)	13,718	(14,614)	102,486		6,000	108,486	

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 2022 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 CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2023

	Current period- to-date 31-May-23 RM'000	Preceding year corresponding period ended 31-May-22 RM'000
Cash flows (for)/from operating activities		
Profit/(Loss) before tax	4,235	(1,549)
Adjustments for:		
Bargain purchase from acquisition of subsidiaries	-	(151)
Depreciation on property, plant and equipment	514	973
Gain on disposal of assets held for sale	(2,630)	-
Gain on disposal of property, plant and equipment	-	(73)
Interest expense	834	773
Interest income	(98)	(10)
Share of loss of equity accounted associate	-	32
Operating profit/(loss) before working capital changes	<u>2,855</u>	<u>(5)</u>
Changes in working capital:		
Decrease in trade and other receivables	20,107	18,283
Decrease in contract assets	2,658	451
Decrease in trade and other payables	(25,447)	(16,161)
(Decrease)/Increase in contract liabilities	(1,312)	930
Cash (used in)/generated from operations	<u>(1,139)</u>	<u>3,498</u>
Income taxes paid	(38)	(46)
Net cash (used in)/generated from operating activities	<u>(1,177)</u>	<u>3,452</u>
Cash flows from/(for) investing activities		
Acquisition of subsidiaries, net of cash acquired	(7,997)	(485)
Acquisition of property, plant and equipment	(1)	(11)
Acquisition of investment properties	(24,757)	(27,431)
Interest received	93	9
Placement of fixed deposits	-	(405)
Net proceeds from disposal of assets held for sale	61,418	-
Net cash generated from/(used in) investing activities	<u>28,756</u>	<u>(28,323)</u>
Cash flows (for)/from financing activities		
Interest paid	(834)	(679)
Repayment of banker acceptances, net of drawdown	-	(806)
(Repayment)/Drawdown of other borrowings and term loan, net	(40,885)	20,902
Proceeds from issuance of ordinary shares pursuant to conversion of ICPS	-	261
Proceeds from issuance of ordinary shares pursuant to private placement	25,251	-
Repayment of finance lease liabilities	(161)	(182)
Net cash (used in)/generated from financing activities	<u>(16,629)</u>	<u>19,496</u>
Net increase/(decrease) in cash and cash equivalents	10,950	(5,375)
Cash and cash equivalents as at beginning of financial year	2,146	7,091
Cash and cash equivalents as at end of financial year	<u><u>13,096</u></u>	<u><u>1,716</u></u>
Cash and cash equivalents comprise of:-		
Cash and bank balances	13,012	1,707
Short term deposits with licensed banks	498	415
Deposits, cash and bank balances	13,510	2,122
Less: Deposits with more than three months maturity	(415)	(406)
Cash and cash equivalents	<u><u>13,096</u></u>	<u><u>1,716</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 2022 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)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2023

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 2022. 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 2022.

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 periods beginning on or after 1 January 2022

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- 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*

Annual Improvement to MFRS Standards 2018 – 2020

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

- MFRS 17 and Amendments to MFRS 17, *Insurance Contracts* and Amendments to MFRS 17 *Insurance Contract*
- Amendments to MFRS 17, *Initial Application of MFRS 17 and MFRS 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 1 January 2024

- Amendments to MFRS 16, Leases – Lease liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non – current Liabilities with Covenants

Deferred to a date determined by MASB

- 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 2022 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 period ended 31 May 2023.

1. On 8 December 2022, the Company had issued 49,396,600 ordinary shares at an issue price of RM0.0912 per share pursuant to a private placement;
2. On 2 May 2023, the Company had issued 170,000,000 ordinary shares at an issue price of RM0.0801 per share pursuant to a private placement;
3. On 9 May 2023, the Company had issued 25,000,000 ordinary shares at an issue price of RM0.0801 per share pursuant to a private placement;
4. On 25 May 2023, the Company had issued 64,000,000 ordinary shares at an issue price of RM0.0801 per share pursuant to a private placement;

5. The Company issued 400,000 new ordinary shares at RM0.12 per ordinary shares arising from the conversion of 800,000 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:

Construction Includes construction, civil and mechanical engineering, architectural steel fabrication and installation works

Property investment and others Includes rental of investment properties

The Group operates in Malaysia and as such, no segment information based on geographical location is presented.

Financial period ended 31.05.2023	Construction RM'000	Property investment & others RM'000	The Group RM'000
External revenue	11,353	1,586	12,939
Results			
Profit before following adjustments:	2,410	445	2,855
Gain on disposal of assets held for sale	-	2,630	2,630
Interest income	47	51	98
Depreciation of property, plant and equipment	(510)	(4)	(514)
Segment results	1,947	3,122	5,069
Finance costs			(834)
Taxation			-
Profit after taxation			4,235
As at 31.05.2023			
Assets			
Segment assets	44,099	176,567	220,666
Unallocated assets			83
Consolidated total assets			220,749
Liabilities			
Segment liabilities	34,401	48,277	82,678
Unallocated liabilities			99
Consolidated total liabilities			82,777

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:

1. 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.

Pursuant to the Proposed 40% Private Placement, a total of 395,333,400 ordinary shares had been allotted to places and was completed on 8 June 2023.

2. On 7 June 2022, The Company announced that its wholly owned subsidiary, Ingenieur EPCM Sdn. Bhd. (“**IESB**”) had, on even date, entered into the conditional sale and purchase agreement (“**SPA**”) 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.
3. On 4 August 2022, the Company announced that its wholly owned subsidiary, IESB had, on even date, entered into the SPA with Dynaciate Engineering Sdn. Bhd. (“**DESB**”) 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 (“**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 (“**Pahang Premises Disposal**”).

On 16 November 2022, the shareholders of the Company had at the EGM approved the Johor Premises Disposal and Pahang Premises Disposal. IESB and DESB had on 26 April 2023 via an exchange of letter agreed to extend the Extension Conditional Period, which is expiring on 3 May 2023, for a further 3 months.

On 7 June 2023, the conditions precedent sets out in the SPA had been fulfilled. 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 31 May 2023

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

- On 8 February 2023, a subsidiary of the Company, MGudang Holdings Sdn Bhd (“MHSB”), entered into a Share Sales Agreement (“SSA”) with Soon Boon Fei to acquire 100% equity interest of 1 ordinary shares in Deluxe Mission Sdn Bhd for a total cash consideration of RM8,000,000. The SSA was completed on 16 February 2023. MHSB is involve in investment holding.

A11. Contingent liabilities

As at 31 May 2023, the Company has issued corporate guarantees for banking facilities granted to subsidiaries of which RM8.13 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 31.05.2023	As at 31.05.2022
	RM'000	RM'000
Approved and contracted for		
- Investment properties	19,511	21,249

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	
	31.05.2023	31.05.2022	31.05.2023	31.05.2022
	RM'000	RM'000	RM'000	RM'000
<u>Transactions with a substantial shareholder</u>				
1 Rental income	618	-	1,241	-
2 Progress billings	1,139	-	2,637	-

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 (2), on 5 September 2022, the Company obtained its shareholders approval for the Proposed Disposal of Penang Factory. As at the financial period ended 31 May 2023, a total sum of RM80.00 million had been received from the purchaser. The summary of the utilisation of the proceeds are as follows: -

As at 31.05.2023	Intended timeframe for utilisation	Actual proceeds received (RM'000)	Actual proceeds utilised (RM'000)	Balance proceeds unutilised (RM'000)
Property business	Within 36 months	57,400	(55,224)	2,176
Repayment of bank borrowings	Within 6 months	9,400	(9,400)	-
General working capital	Within 24 months	13,000	(13,000)	-
Defray estimated expenses	Within 3 months	200	(200)	-
	Total	80,000	(77,824)	2,176

- *The utilisation of the proceeds as disclosed above should be read in conjunction with the Circular of the Company dated 19 August 2022.*

(b) Proposed 40% Private Placement

Pursuant to the Proposed 40% Private Placement as at 31 May 2023, a total of 308,396,600 ordinary shares were allotted to placees and proceeds received were amounted to RM25,250,870. The utilisation of the proceeds are as follows: -

As at 31.05.2023	Intended timeframe for utilisation	Proposed utilisation (RM'000)	Variation (RM'000)	Actual proceeds utilised (RM'000)	Balance proceeds unutilised (RM'000)
Capital expenditure of MGSB	Within 6 months	1,700	-	(1,700)	-
Construction of warehouse	Within 24 months	6,000	-	-	6,000
Purchase for Senawang Land	Within 4 months	11,700	-	(11,700)	-
Purchase for Serendah Land	Within 24 months	501	-	(501)	-
Purchase of Nilai Property	Within 24 months	5,000	(1,000)^	(3,517)	483
Working capital	Within 24 months	-	1,000^	(842)	158
Defray estimated expenses	Within 3 months	350	-	(248)	102
	Total	25,251	-	(18,508)	6,743

- *The utilisation of the proceeds as disclosed above should be read in conjunction with the Circular of the Company dated 4 July 2022.*

^ On 9 May 2023, the Board had resolved to vary and reallocate the proceeds raised amounting to RM1.00 million from the Company's Proposed 40% Private Placement which was originally earmarked to utilise for balance purchase consideration for the Purchase of Nilai Property to utilise for working capital purposes. As at 31 May 2023, the Group had utilised RM0.84 million to pay the operating expenditures which includes payments to contractors, creditors and staff related expenses, office related expenses and general administrative expenses.

(c) Disposals of Johor and Pahang Premises

As disclosed in Note A9 (3), 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 period ended 31 May 2023, 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 31.05.2023	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	-	-	(28,222)	(28,222)	(28,222)
Finance lease liabilities	-	-	(135)	(135)	(135)
Amount due to companies in which certain directors of a subsidiary have a substantial financial interest	-	-	(12,302)	(12,302)	(12,302)
	-	-	(40,659)	(40,659)	(40,659)

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 6.10% (As at 30.11.2022: 3.52% to 4.75% 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 Period			
	31.05.23	31.05.22	Changes		31.05.23	31.05.22	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue								
- Construction	3,775	825	2,950	358%	11,353	878	10,475	1193%
- Property Investment & Others	798	945	(147)	-16%	1,586	1,755	(169)	-10%
	4,573	1,770	2,803	158%	12,939	2,633	10,306	391%
Profit/(Loss) before taxation								
- Construction	316	(940)	1,256	134%	1,723	(1,729)	3,452	200%
- Property Investment & Others	(82)	(122)	40	-33%	2,512	180	2,332	1296%
	234	(1,062)	1,296	122%	4,235	(1,549)	5,784	373%

The Group posted revenue of RM4.57 million and profit before tax (“PBT”) of RM0.23 million for the second quarter ended 31 May 2023 (“Q2FY2023”) as compared to revenue of RM0.83 million and loss before tax (“LBT”) of RM1.06 million for the second quarter ended 31 May 2022 (“Q2FY2022”).

The Group posted higher revenue compared to Q2FY2022 mainly due to increase work progress and new projects secured in construction segment during the quarter. PBT of RM0.32 million recorded during the quarter from the construction segment was mainly due to higher gross profit generated from the existing projects on hand.

On year-to-year basis, The Group posted revenue of RM12.94 million and PBT of RM4.24 million for the period ended 31 May 2023 as compared to revenue of RM2.63 million and LBT of RM1.55 million for the period ended 31 May 2022.

The revenue from construction segment increased by RM10.48 million from RM0.88 million to RM11.35 million mainly due to more projects secured and higher work progress during the financial period. On the other hand, property investment segment recorded revenue of RM1.59 million and PBT of RM2.51 million. The increase of PBT was mainly due to gain on disposal of Penang factory in the current financial period.

B2. Variation of results against preceding quarter

	Current quarter ended 31.05.23 RM'000	Immediate preceeding quarter ended 28.02.23 RM'000	Changes	
			RM'000	%
Revenue				
- Construction	3,775	7,578	(3,803)	-50%
- Property Investment & Others	798	788	10	1%
	4,573	8,366	(3,793)	-45%
Profit before taxation				
- Construction	316	1,407	(1,091)	-78%
- Property Investment & Others	(82)	2,594	(2,676)	-103%
	234	4,001	(3,767)	-94%

The Group reported revenue and PBT of RM4.57 million and RM0.23 million respectively in current quarter as compared with revenue and PBT of RM8.37 million and RM4.00 million reported in the preceding quarter ended. The Group's revenue has reduced mainly due to slower progress recognition from the construction segment during the current quarter under review. PBT for overall reduced in view of slower construction progress and also absence of a one-off gain on disposal of Penang property in the current quarter.

B3. Prospects

The outlook of the Malaysian economy is expected to be moderate in Year 2023 after a strong rebound last year. However, the Board is of the view that the manufacturing sector will continue to grow. Our construction division will continue to bid for new contracts to improve our order book and revenue, as well as focusing on execution of the projects to ensure timely completion and delivery for current on-going projects. We expect our property investment division will see a lower rental revenue this financial year, in view that the Penang property had been disposed of, while several of our properties are still under construction. In spite of the above, the Group is cautiously optimistic of registering positive growth for the current financial year.

B4. Variance between actual and forecast profit

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

B5. Income tax expense

	Individual quarter ended		Cumulative period ended	
	31.05.2023	31.05.2022	31.05.2023	31.05.2022
	RM'000	RM'000	RM'000	RM'000
The income tax expense consist of:				
- Current tax	-	(4)	-	(4)
- Deferred tax	-	-	-	-
Income tax	-	(4)	-	(4)

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

	Individual quarter ended		Cumulative period ended	
	31.05.2023	31.05.2022	31.05.2023	31.05.2022
	RM'000	RM'000	RM'000	RM'000
<u>After charging/(crediting):</u>				
Bargain purchase from acquisition of subsidiaries	-	(151)	-	(151)
Depreciation on property, plant and equipment	257	464	514	973
Interest expense	388	503	834	773
Share of loss of equity accounted associate	-	-	-	32
Gain on disposal of asset, held for sale	-	-	(2,630)	-
Gain on disposal of plant and equipment	-	(73)	-	(73)
Interest income	(22)	(1)	(98)	(10)

B7. Corporate proposals

Save as disclosed in Note A9 and A15, 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 31 May 2023 are as follows:

	Current Secured	Non-current Secured	Total
	RM'000	RM'000	RM'000
Term loans	9,469	18,753	28,222
Finance lease liabilities	121	14	135
Total	9,590	18,767	28,357

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 ended 31 May 2023.

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	
	31.05.2023	31.05.2022	31.05.2023	31.05.2022
Profit/(Loss) attributable to owners of the Company (RM'000)	234	(1,066)	4,235	(1,553)
Weighted average number ordinary shares ('000)	1,125,813	889,775	1,066,363	817,789
Basic earnings/(loss) per share (sen)	0.02	(0.12)	0.40	(0.19)

(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 26 July 2023.