



# **INGENIEUR GUDANG BERHAD**

Registration No. 200601012544 (732294-W)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023

**INGENIEUR GUDANG BERHAD**  
**Registration No.: 200601012544 (732294-W)**  
(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENT**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 NOVEMBER 2023**

	<b>As at 30-Nov-23 Unaudited RM'000</b>	<b>As at 30-Nov-22 Audited RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,331	3,886
Investment properties	183,898	132,348
Intangible assets	-	156
<b>Total non-current assets</b>	<u>185,229</u>	<u>136,390</u>
<b>Current assets</b>		
Trade and other receivables	11,379	14,465
Contract assets	618	2,803
Tax recoverable	317	45
Deposits, cash and bank balances	4,272	2,556
	<u>16,586</u>	<u>19,869</u>
Asset classified as held for sale	40,187	101,587
<b>Total current assets</b>	<u>56,773</u>	<u>121,456</u>
<b>Total assets</b>	<u>242,002</u>	<u>257,846</u>
<b>Equity</b>		
Share capital	155,996	115,229
Reserves	4,013	(12,743)
<b>Total equity attributable to owners of the Company</b>	<u>160,009</u>	<u>102,486</u>
Non-controlling interests	6,000	6,000
<b>Total equity</b>	<u>166,009</u>	<u>108,486</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	7,136	857
Loans and borrowings	25,263	27,423
<b>Total non-current liabilities</b>	<u>32,399</u>	<u>28,280</u>
<b>Current liabilities</b>		
Trade and other payables	33,016	76,055
Contract liabilities	1,666	2,945
Current tax liabilities	99	99
Loans and borrowings	8,813	41,981
<b>Total current liabilities</b>	<u>43,594</u>	<u>121,080</u>
<b>Total liabilities</b>	<u>75,993</u>	<u>149,360</u>
<b>Total equity and liabilities</b>	<u>242,002</u>	<u>257,846</u>
Net assets per ordinary share attributable to owners of the Company (sen)	11.11	10.37

*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.*

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**CONDENSED INTERIM FINANCIAL STATEMENT**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023**

	Individual period		Cumulative period	
	Current period- quarter-ended 30-Nov-23 RM'000	Preceding period corresponding quarter ended 30-Nov-22 RM'000	Current year-to- date ended 30-Nov-23 RM'000	Preceding year corresponding year ended 30-Nov-22 RM'000
Revenue	4,030	7,281	20,348	12,974
Cost of sales	(2,871)	(3,769)	(13,041)	(6,143)
<b>Gross profit</b>	<b>1,159</b>	<b>3,512</b>	<b>7,307</b>	<b>6,831</b>
Other income	317	616	6,373	1,229
Administrative expenses	(3,403)	(943)	(6,183)	(4,032)
Other operating expenses	(8,278)	(897)	(9,049)	(2,244)
Fair value gain on investment properties	27,837	1,771	27,837	19,071
<b>Results from operating activities</b>	<b>17,632</b>	<b>4,059</b>	<b>26,285</b>	<b>20,855</b>
Finance income	7	1	124	18
Finance costs	(453)	(1,040)	(1,729)	(2,597)
Net finance costs	(446)	(1,039)	(1,605)	(2,579)
<b>Operating profit</b>	<b>17,186</b>	<b>3,020</b>	<b>24,680</b>	<b>18,276</b>
Share of loss of associate, net of tax	-	(33)	-	(65)
<b>Profit before tax</b>	<b>17,186</b>	<b>2,987</b>	<b>24,680</b>	<b>18,211</b>
Tax (expense)/income	(6,272)	(615)	(6,744)	1,058
<b>Net profit after taxation/Total comprehensive income for the financial period/year</b>	<b>10,914</b>	<b>2,372</b>	<b>17,936</b>	<b>19,269</b>
<b>Profit after taxation attributable to:</b>				
Owners of the Company	10,914	2,372	17,936	19,269
Non-controlling interests	-	-	-	-
	<b>10,914</b>	<b>2,372</b>	<b>17,936</b>	<b>19,269</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	10,914	2,372	17,936	19,269
Non-controlling interests	-	-	-	-
	<b>10,914</b>	<b>2,372</b>	<b>17,936</b>	<b>19,269</b>
<b>Earnings per ordinary share (sen):</b>				
Basic	0.76	0.24	1.45	2.14
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.*

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**CONDENSED INTERIM FINANCIAL STATEMENT**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023**

	<----- Attributable to owners of the Company ----->						
	<----- Non-distributable ----->			Distributable (Accumulated losses)/ Retained earnings	Total RM'000	Non-controlling interests RM'000	
	Share capital RM'000	Capital reserve RM'000	Warrants reserve RM'000	RM'000			
<b>At 1 December 2022</b>	115,229	(11,847)	13,718	(14,614)	102,486	6,000	108,486
Profit for the period	-	-	-	17,936	17,936	-	17,936
Issuance of ordinary shares pursuant to private placement	31,945	-	-	-	31,945	-	31,945
Issuance of ordinary shares pursuant to conversion of Irredeemable Convertible Preference Shares ("ICPSs")	4,438	(1,180)	-	-	3,258	-	3,258
Issuance of ordinary shares pursuant to conversion of warrants	4,384	6,006	(6,006)	-	4,384	-	4,384
<b>Transactions with owners of the Company</b>	40,767	4,826	(6,006)	-	39,587	-	39,587
<b>At 30 November 2023</b>	<b>155,996</b>	<b>(7,021)</b>	<b>7,712</b>	<b>3,322</b>	<b>160,009</b>	<b>6,000</b>	<b>166,009</b>
<b>At 1 December 2021</b>	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
<b>Transactions with owners of the Company</b>	22,881	(478)	-	-	22,403	-	22,403
<b>At 30 November 2022</b>	<b>115,229</b>	<b>(11,847)</b>	<b>13,718</b>	<b>(14,614)</b>	<b>102,486</b>	<b>6,000</b>	<b>108,486</b>

*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.*

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**CONDENSED INTERIM FINANCIAL STATEMENT**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023**

	<b>Current period-to-date 30-Nov-23 RM'000</b>	<b>Preceding year corresponding period ended 30-Nov-22 RM'000</b>
<b>Cash flows used in operating activities</b>		
Profit before tax	24,680	18,211
Adjustments for:		
Bargain purchase from acquisition of subsidiaries	-	(183)
Depreciation on property, plant and equipment	885	1,681
Fair value gain on investment properties	(27,837)	(19,071)
Gain on disposal of assets held for sale	(2,650)	-
Gain on disposal of property, plant and equipment	(3,329)	(73)
Interest expense	1,729	2,597
Interest income	(124)	(18)
Impairment of contract assets	-	563
Impairment of goodwill	8,164	-
Impairment on trade receivables	1,084	-
Share of loss of equity accounted associate	-	65
<b>Operating profit before working capital changes</b>	<u>2,602</u>	<u>3,772</u>
<b>Changes in working capital:</b>		
Decrease/(Increase) in trade and other receivables	21,514	(10,286)
Decrease/(Increase) in contract assets	2,185	(2,693)
(Decrease)/Increase in trade and other payables	(44,260)	19,252
(Decrease)/Increase in contract liabilities	<u>(1,280)</u>	<u>2,039</u>
<b>Cash (used in)/generated from operations</b>	<u>(19,239)</u>	<u>12,084</u>
Income taxes paid	(737)	(100)
<b>Net cash (used in)/generated from operating activities</b>	<u>(19,976)</u>	<u>11,984</u>
<b>Cash flows from/(used in) investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	(7,997)	(484)
Acquisition of property, plant and equipment	(2)	(17)
Acquisition of investment properties	(38,402)	(66,465)
Interest received	124	13
Placement of fixed deposits	(191)	(405)
Proceeds from disposal of property, plant and equipment	4,000	2,000
Net proceeds from disposal of assets held for sale	<u>61,438</u>	<u>-</u>
<b>Net cash from/(used in) investing activities</b>	<u>18,970</u>	<u>(65,358)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(1,729)	(2,022)
Repayment of banker acceptances, net of drawdown	-	(806)
(Repayment)/Drawdown of other borrowings and term loan, net	(35,069)	51,165
Proceeds from issuance of ordinary shares pursuant to conversion of ICPS	3,258	609
Proceeds from issuance of ordinary shares pursuant to conversion of warrants	4,384	-
Proceeds from issuance of ordinary shares pursuant to private placement	31,945	-
Repayment of finance lease liabilities	(258)	(517)
<b>Net cash from financing activities</b>	<u>2,531</u>	<u>48,429</u>
Net increase/(decrease) in cash and cash equivalents	1,525	(4,945)
Cash and cash equivalents as at beginning of financial period	<u>2,146</u>	<u>7,091</u>
<b>Cash and cash equivalents as at end of financial period</b>	<u><u>3,671</u></u>	<u><u>2,146</u></u>
<b>Cash and cash equivalents comprise of:-</b>		
Cash and bank balances	3,661	2,137
Short term deposits with licensed banks	<u>611</u>	<u>419</u>
Deposits, cash and bank balances	4,272	2,556
Less: Deposits with more than three months maturity	<u>(601)</u>	<u>(410)</u>
Cash and cash equivalents	<u><u>3,671</u></u>	<u><u>2,146</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

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 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 2023**

- MFRS 17, *Insurance Contracts* and Amendments to MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- 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 and International Tax Reform – Pillar Two Model Rules*

#### **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 – 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 and MFRS 7, *Financial Instruments: Disclosure – Supplier Finance Arrangements*

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

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

#### A1. Basis of preparation (Cont'd)

##### **MFRSs, Interpretations and amendments 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*

##### **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.

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

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

#### 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 30 November 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 55,852,600 new ordinary shares at RM0.12 per ordinary shares arising from the conversion of 57,402,600 Irredeemable Convertible Preference Shares (“ICPSs”);
6. The Company issued 36,535,600 new ordinary shares at RM0.12 per ordinary shares arising from the 36,535,600 warrants exercised; and
7. On 8 June 2023, the Company had issued 86,936,800 ordinary shares at an issue price of RM0.077 per share pursuant to a private placement.

#### 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

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

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

#### A8. Segmental information (Cont'd)

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

	Property Investment &		The Group RM'000
	Construction RM'000	Others RM'000	
<b>Financial period ended 30 November 2023</b>			
External revenue	16,985	3,363	20,348
<b>Results</b>			
Profit before following adjustments:-	8,669	21,771	30,440
Gain on disposal of assets held for sale	-	2,650	2,650
Gain on disposal of property, plant and equipment	3,329	-	3,329
Interest income	57	67	124
Impairment of goodwill	-	(8,164)	(8,164)
Impairment on trade receivables	(1,084)	-	(1,084)
Depreciation of property, plant and equipment	(878)	(7)	(885)
Segment results	10,093	16,317	26,409
Finance costs			(1,729)
Taxation			(6,744)
Profit after taxation			17,936
<b>As at 30 November 2023</b>			
<b><u>Assets</u></b>			
Segment assets	57,221	184,464	241,685
Unallocated assets			317
Consolidated total assets			242,002
<b><u>Liabilities</u></b>			
Segment liabilities	33,000	42,894	75,894
Unallocated liabilities			99
Consolidated total liabilities			75,993

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

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

#### 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 Ingenieur (“**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 Ingenieur. 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 Ingenieur 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 placees and was completed on 8 June 2023. On 14 June 2023, the Company further vary the utilisation of proceeds of approximately RM6.48 million from the un-utilised Private Placement Proceeds.

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.

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

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

#### A9. Significant events during the financial period and subsequent events (Cont'd)

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 parties to the SPA had on 6 October 2023, via an exchange of letter, mutually agreed for the Extended Completion Date to be extended for a period of one (1) month from 6 October 2023 to 6 November 2023. On 6 November 2023, the Extended Completion Date was further extended for a period of two (2) months from 6 November 2023 to 6 January 2024. On 5 January 2024, the Extended Completion Date was further extended for a period of three (3) months from 6 January 2024 to 6 April 2024. The said disposals are pending completion as at the date of this report.

4. The expired Warrants 2018/2023 were delisted on 27 December 2023.
5. Upon the Mandatory Conversion Date, all outstanding ICPS was automatically converted into new Shares on 26 December 2023 and delisted on 27 December 2023.

#### A10. Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

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

#### A11. Changes in composition of the Group during the financial period ending 30 November 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.

#### A12. Contingent liabilities

As at 30 November 2023, the Company has issued corporate guarantees for banking facilities granted to subsidiaries of which RM14.59 million were utilised.

#### A13. Capital commitment

	<b>As at 30-Nov-23 RM'000</b>	<b>As at 30-Nov-22 RM'000</b>
Approved and contracted for:		
- Investment properties	7,567	34,580

#### A14. Significant related party transactions

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

	<b>Individual quarter ended</b>		<b>Cumulative year ended</b>	
	<b>30-Nov-23 RM'000</b>	<b>30-Nov-22 RM'000</b>	<b>30-Nov-23 RM'000</b>	<b>30-Nov-22 RM'000</b>
Transactions with a substantial shareholder				
- Rental income	-	99	1,653	264
- Progress billings	-	3,375	4,400	3,375
Transactions with companies in which certain Directors of the Company/subsidiary have				
- Rental income	618	-	824	-
- Progress billings	2,492	-	3,137	-
- Rental expense	-	-	-	(19)

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Registration No. 200601012544 (732294-W)  
(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

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

#### A15. 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.

#### A16. 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 30 November 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 30 November 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	(57,400)	-
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)	-
	<b>Total</b>	<b>80,000</b>	<b>(80,000)</b>	<b>-</b>

- *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 30 November 2023, a total of 395,333,400 ordinary shares were allotted to placees and proceeds received were amounted to RM31,945,004. The utilisation of the proceeds are as follows: -

## INGENIEUR GUDANG BERHAD

Registration No. 200601012544 (732294-W)  
(Incorporated in Malaysia)

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

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

##### A16. Status of corporate proposals and utilisation of proceeds (Cont'd)

###### (b) Proposed 40% Private Placement (Cont'd)

As at 30 November 2023	Expected timeframe for utilisation	Original utilisation of proceeds RM'000	Excess proceeds reallocated RM'000	1st Variation RM'000	2nd Variation RM'000	Actual proceeds utilised up to 30 November 2023 RM'000	Balance proceeds unutilised as at 30 November 2023 RM'000
Capital expenditure of MGSB	Fully utilised	1,700	-	-	-	(1,700)	-
Construction of warehouse	Not applicable	6,000	-	-	(6,000) <sup>(iii)</sup>	-	-
Purchase for Senawang Land	Fully utilised	11,700	-	-	-	(11,700)	-
Purchase for Serendah Land	Within 9 months <sup>(i)</sup>	6,570	-	-	-	(6,570)	-
Purchase of Nilai Property	Fully utilised	5,000	-	(1,000) <sup>(ii)</sup>	(483) <sup>(ii)</sup>	(3,517)	-
Working capital	Within 24 months <sup>(i)</sup>	625	74 <sup>(iv)</sup>	1,000 <sup>(ii)</sup>	6,483 <sup>(ii)(iii)</sup>	(8,182)	-
Defray estimated expenses	Fully utilised	350	(74) <sup>(iv)</sup>	-	-	(276)	-
	<b>Total</b>	<b>31,945</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31,945)</b>	<b>-</b>

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

# INGENIEUR GUDANG BERHAD

Registration No. 200601012544 (732294-W)  
(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

### PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING (CONT'D)

#### A16. Status of corporate proposals and utilisation of proceeds (Cont'd)

##### (b) Proposed 40% Private Placement (Cont'd)

###### Notes:-

- (i) From 9 June 2023 (date of completion of Proposed 40% Private Placement)
- (ii) 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 Proposed Acquisition of Nilai Property to utilise for working capital purposes ("**1<sup>st</sup> Variation**"). The Group has utilised approximately RM3.52 million for payment of balance purchase consideration for the acquisition of Nilai Property. Subsequently, the Group had secured a term loan facility to finance this balance purchase consideration and the term loan is repayable over 240 equal monthly instalments. The Group intends to fund the repayment of term loan via its internally generated funds and to reallocate the balance of proceeds earmarked for this purpose to fund the working capital of the Group to alleviate its immediate funding requirement for the payment of expenses and creditors obligations to support its construction and property investment business.
- (iii) The Group had originally earmarked to utilise the placement proceeds of up to RM6.00 million to fund the gross development costs for the proposed warehouse and related buildings on the Tangkak Land which include, amongst others, payments to professionals, payment to authorities and building works. The Group had incurred approximately RM120,000 for the preliminary expenses and costs in relation to the construction of warehouse and related buildings on Tangkak Land and were funded by internally generated funds. The Group had decided to amend certain specifications to the building plan and requires to obtain relevant approvals for the amendments. In view of this, the construction of warehouse will be delayed. Accordingly, the Group does not foresee any immediate and material funding require at this juncture and the Group intends to reallocate the balance of proceeds earmarked for this purpose to fund the working capital of the Group to alleviate its immediate funding requirement for the payment of expenses and creditors obligations to support its construction and property investment business. ("**2<sup>nd</sup> Variation**")
- (iv) As at 30 November 2023, approximately RM276,000 had been fully utilised for expenses related to Proposed 40% Private Placement. The excess amount of approximately RM74,000 (out of the original allocation of approximately RM350,000) has therefore been reallocated towards working capital.

# INGENIEUR GUDANG BERHAD

Registration No. 200601012544 (732294-W)  
(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

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

#### A16. Status of corporate proposals and utilisation of proceeds (Cont'd)

##### (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 30 November 2023, the said disposals have yet to be completed and no proceeds had been received from this corporate proposal.

#### A17. Gain or losses arising from fair value changes of financial liabilities

The carrying amounts of financial liabilities of the Group at the reporting date approximate their fair value due to the relatively short-term nature of these financial instruments or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date or insignificant impact of discounting. No gains or losses were recognised for changes in fair values of financial liabilities during the quarter under review.

# INGENIEUR GUDANG BERHAD

Registration No. 200601012544 (732294-W)  
(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

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

#### B1. Review of performance

	Individual Quarter				Cumulative Year			
	30-Nov-23	30-Nov-22	Changes		30-Nov-23	30-Nov-22	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b>Revenue</b>								
- Construction	3,134	5,110	(1,976)	-39%	16,985	7,862	9,123	116%
- Property Investment & Others	896	2,171	(1,275)	-59%	3,363	5,112	(1,749)	-34%
	<b>4,030</b>	<b>7,281</b>	<b>(3,251)</b>	<b>-45%</b>	<b>20,348</b>	<b>12,974</b>	<b>7,374</b>	<b>57%</b>
<b>Profit/(Loss) before taxation</b>								
- Construction	(1,746)	726	(2,472)	-340%	3,247	(316)	3,563	1128%
- Property Investment & Others	18,932	2,261	16,671	737%	21,433	18,527	2,906	16%
	<b>17,186</b>	<b>2,987</b>	<b>14,199</b>	<b>475%</b>	<b>24,680</b>	<b>18,211</b>	<b>6,469</b>	<b>36%</b>

The Group posted revenue of RM4.03 million and profit before tax (“PBT”) of RM17.19 million for the fourth quarter ended 30 November 2023 (“Q4FY2023”) as compared to revenue of RM7.28 million and PBT of RM2.99 million for the fourth quarter ended 30 November 2022 (“Q4FY2022”).

During the quarter, the Group posted lower revenue compared to Q4FY2022 mainly due to slower work progress in construction segment as well as lower rental income due to disposal of property in property investment segment. Overall PBT was higher in Q4FY2023 mainly due to fair value gain of investment properties from property investment and others segment.

On year-to-year basis, the Group posted revenue of RM20.35 million and PBT of RM24.68 million for the year ended 30 November 2023 as compared to revenue of RM12.97 million and PBT of RM18.21 million for the year ended 30 November 2022.

The revenue from construction segment increased by RM9.12 million from RM7.86 million to RM16.99 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 RM3.36 million and PBT of RM21.43 million. The higher PBT was mainly due to fair value gain of investment properties during the financial year.

# INGENIEUR GUDANG BERHAD

Registration No. 200601012544 (732294-W)  
(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

### PART B: OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS (CONT'D)

#### B2. Variation of results against preceding quarter

	Current quarter ended 30-Nov-23 RM'000	Immediate preceeding quarter ended 31-Aug-23 RM'000	Changes	
			RM'000	%
<b>Revenue</b>				
- Construction	3,134	2,498	636	25%
- Property Investment & Others	896	881	15	2%
	<b>4,030</b>	<b>3,379</b>	<b>651</b>	<b>19%</b>
<b>Profit before taxation</b>				
- Construction	(1,746)	3,270	(5,016)	-153%
- Property Investment & Others	18,932	(11)	18,943	172209%
	<b>17,186</b>	<b>3,259</b>	<b>13,927</b>	<b>427%</b>

The Group reported revenue and PBT of RM4.03 million and RM17.19 million respectively in current quarter as compared with revenue and PBT of RM3.38 million and RM3.26 million reported in the preceding quarter ended. The Group's revenue has improved slightly mainly due to higher progress recognition from the construction segment during the current quarter under review. Overall PBT improved mainly due to fair value gain of investment properties during current quarter.

#### B3. Prospects

The outlook of the Malaysian economy is expected to be moderate in Year 2024. 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 to achieve high tenancy levels to generate consistent rental income and better rental yield from our property portfolio. We will continue to identify real estate comprising of commercial and industrial properties including factories, warehousing and other properties with good prospects and located within strategic areas that are able to yield a reasonable return within a reasonable period of time.

#### B4. Variance between actual and forecast profit

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

# INGENIEUR GUDANG BERHAD

Registration No. 200601012544 (732294-W)  
(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

### PART B: OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS (CONT'D)

#### B5. Income tax (expense)/income

	Individual quarter ended		Cumulative year ended	
	30-Nov-23	30-Nov-22	30-Nov-23	30-Nov-22
	RM'000	RM'000	RM'000	RM'000
The income tax (expense)/income consist of:				
- Current tax income/(expense)	7	(18)	(465)	(132)
- Deferred tax (expense)/income	(6,279)	(597)	(6,279)	1,190
	<u>(6,272)</u>	<u>(615)</u>	<u>(6,744)</u>	<u>1,058</u>

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

	Individual quarter ended		Cumulative year ended	
	30-Nov-23	30-Nov-22	30-Nov-23	30-Nov-22
	RM'000	RM'000	RM'000	RM'000
<u>After charging/(crediting):</u>				
Depreciation on property, plant and equipment	114	335	885	1,681
Interest expense	453	1,039	1,729	2,597
Share of loss of equity accounted associate	-	33	-	65
Impairment of contract assets	-	563	-	563
Impairment of goodwill	8,164	-	8,164	-
Impairment on trade receivables	1,084	-	1,084	-
Bargain purchase from acquisition of subsidiaries	-	-	-	(183)
Fair value gain on investment properties	(27,837)	(1,771)	(27,837)	(19,071)
Gain on disposal of assets held for sale	-	-	(2,650)	-
Gain on disposal of property, plant and equipment	-	-	(3,329)	(73)
Interest income	(7)	(1)	(124)	(18)

#### B7. Corporate proposals

Save as disclosed in Note A9 and A16, there were no other corporate proposal pending for completion as at the date of this report.

# INGENIEUR GUDANG BERHAD

Registration No. 200601012544 (732294-W)  
(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

### PART B: OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS (CONT'D)

#### B8. Group's borrowings

The Group's borrowings as at 30 November 2023 are as follows:

	Current Secured RM'000	Non-current Secured RM'000	Total RM'000
Term loans	8,789	25,249	34,038
Finance lease liabilities	24	14	38
Total	8,813	25,263	34,076

The above borrowings are denominated in Ringgit Malaysia.

#### B9. Material litigation

##### **Hanwa Co. Ltd (“Hanwa” or “Plaintiff”) vs Ingenieur Gudang Berhad (“the Company” or “Defendant”) (Case No: WA-22NCC-519-07/2023)**

The Company had entered into a sale and purchase agreement dated 31 July 2017 for the sale of 41% of total issued and paid-up capital of Hanwa Steel Centre (M) Sdn Bhd to Hanwa (“Sale and Purchase Agreement dated 31 July 2017”); and had entered into a sale and purchase agreement dated 14 June 2019 for the sale of 10% of total issued and paid-up capital of Hanwa Steel Centre (M) Sdn Bhd to Hanwa (“Sale and Purchase Agreement dated 14 June 2019”) (collectively referred to as “Sale and Purchase Agreements”).

Pursuant to the Sale and Purchase Agreements, the Company was to pursue a tax appeal amounting to RM2,300,000, to the Pejabat Kastam Diraja Malaysia. The said appeal was rejected, and Hanwa claims there had been a breach of the Sale and Purchase Agreements.

# INGENIEUR GUDANG BERHAD

Registration No. 200601012544 (732294-W)  
(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

### PART B: OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS (CONT'D)

#### B9. Material litigation (Cont'd)

##### **Hanwa Co. Ltd (“Hanwa” or “Plaintiff”) vs Ingenieur Gudang Berhad (“the Company” or “Defendant”) (Case No: WA-22NCC-519-07/2023) (Cont'd)**

On 26 September 2023, the Company received a Writ of Summons and Statement of Claim both dated 20 July 2023 filed by Hanwa against the Company.

The Plaintiff's claims against the Company are as follows:

- (a) A declaration that the Defendant had breached the Sale and Purchase Agreement dated 31 July 2017;
- (b) A declaration that the Defendant had breached the Sale and Purchase Agreement dated 14 June 2019;
- (c) The Defendant is to pay the Plaintiff a sum of RM943,000 according to the Share Sale Agreement dated 31 July 2017 immediately;
- (d) The Defendant is to pay the Plaintiff a sum of RM230,000 according to the Share Sale Agreement dated 14 June 2019 immediately;
- (e) The Defendant is to pay interests on the sum of RM943,000 and the sum of RM230,000 at the rate of 5% per annum from the date of filing of the Writ and Statement of Claim until full and final settlement;
- (f) Costs on solicitor-client basis; and
- (g) Interests on costs awarded at the rate of 5% per annum from the date of judgment until full and final settlement.

On 5 October 2023, during the case management held via e-review, the Court has directed, amongst others that the next case management be held on 21 November 2023 via e-review for parties to update on the status of filling of pleadings and interlocutory application, if any.

During the case management held on 21 November 2023 via e-review, the Court has directed, amongst others that the next case management be held on 21 February 2024 via e-review for the parties to update on the status of filling of pleadings and interlocutory application, if any.

# INGENIEUR GUDANG BERHAD

Registration No. 200601012544 (732294-W)  
(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CONT'D)

### PART B: OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS (CONT'D)

#### B10. Proposed dividend

The Board did not recommend any dividend for the current quarter ended 30 November 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 quarter ended		Cumulative year ended	
	30-Nov-23	30-Nov-22	30-Nov-23	30-Nov-22
Profit attributable to owners of the Company (RM'000)	10,914	2,372	17,936	19,269
Weighted average number of ordinary shares ('000)	1,442,674	987,916	1,239,322	901,759
Basic earnings per share (sen)	<u>0.76</u>	<u>0.24</u>	<u>1.45</u>	<u>2.14</u>

##### (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 24 January 2024.