



INGENIEUR GUDANG BERHAD

Registration No. 200601012544 (732294-W)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2024

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

CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2024

	As at 29-Feb-24 Unaudited RM'000	As at 30-Nov-23 Audited RM'000
Assets		
Non-current assets		
Property, plant and equipment	1,217	1,331
Investment properties	186,984	183,899
Total non-current assets	188,201	185,230
Current assets		
Trade and other receivables	10,463	11,482
Contract assets	3,115	309
Contract costs	-	309
Tax recoverable	26	218
Deposits, cash and bank balances	2,970	4,272
	16,574	16,590
Asset classified as held for sale	40,187	40,187
Total current assets	56,761	56,777
Total assets	244,962	242,007
Equity		
Share capital	159,582	155,996
Reserves	4,342	4,016
Total equity attributable to owners of the Company	163,924	160,012
Non-controlling interests	6,000	6,000
Total equity	169,924	166,012
Liabilities		
Non-current liabilities		
Deferred tax liabilities	7,136	7,136
Loans and borrowings	33,088	31,446
Total non-current liabilities	40,224	38,582
Current liabilities		
Trade and other payables	27,037	33,117
Contract liabilities	5,040	1,666
Current tax liabilities	99	-
Loans and borrowings	2,638	2,630
Total current liabilities	34,814	37,413
Total liabilities	75,038	75,995
Total equity and liabilities	244,962	242,007
Net assets per ordinary share attributable to owners of the Company (sen)	10.81	10.84

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 2023 with the accompanying explanatory notes attached to the financial statements.

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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 29 FEBRUARY 2024

	Individual period		Cumulative period	
	Current period- quarter-ended 29-Feb-24 RM'000	Preceding period corresponding quarter ended 28-Feb-23 RM'000	Current year-to- date ended 29-Feb-24 RM'000	Preceding year corresponding year ended 28-Feb-23 RM'000
Revenue	7,435	8,366	7,435	8,366
Cost of sales	(4,524)	(5,462)	(4,524)	(5,462)
Gross profit	2,911	2,904	2,911	2,904
Other income	4	2,707	4	2,707
Administrative expenses	(856)	(982)	(856)	(982)
Other operating expenses	(114)	(258)	(114)	(258)
Results from operating activities	1,945	4,371	1,945	4,371
Finance income	5	76	5	76
Finance costs	(505)	(446)	(505)	(446)
Net finance costs	(500)	(370)	(500)	(370)
Profit before tax	1,445	4,001	1,445	4,001
Tax expense	(428)	-	(428)	-
Net profit after taxation/Total comprehensive income for the financial period	1,017	4,001	1,017	4,001
Profit after taxation attributable to:				
Owners of the Company	1,017	4,001	1,017	4,001
Non-controlling interests	-	-	-	-
	1,017	4,001	1,017	4,001
Total comprehensive income attributable to:				
Owners of the Company	1,017	4,001	1,017	4,001
Non-controlling interests	-	-	-	-
	1,017	4,001	1,017	4,001
Earnings per ordinary share (sen):				
Basic	0.07	0.39	0.07	0.39
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 2023 with the accompanying explanatory notes attached to the financial statements.

INGENIEUR GUDANG BERHAD
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(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2024

	<----- Attributable to owners of the Company ----->		<----- Non-distributable ----->		Distributable (Accumulated losses)/ Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Capital reserve RM'000	Warrants reserve RM'000					
At 1 December 2023	155,996	(7,020)	7,711		3,325	160,012	6,000	166,012
Profit for the period	-	-	-		1,017	1,017	-	1,017
Issuance of ordinary shares pursuant to conversion of Irredeemable Convertible Preference Shares ("ICPSs")	738	(691)	-		-	47	-	47
Issuance of ordinary shares pursuant to exercise of warrants	2,848	3,901	(3,901)		-	2,848	-	2,848
Expiry of warrants	-	3,810	(3,810)		-	-	-	-
Transactions with owners of the Company	3,586	7,020	(7,711)		-	2,895	-	2,895
At 29 February 2024	159,582	-	-		4,342	163,924	6,000	169,924
At 1 December 2022	115,229	(11,847)	13,718		(14,614)	102,486	6,000	108,486
Profit for the financial year	-	-	-		17,939	17,939	-	17,939
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 exercise of warrants	4,384	6,007	(6,007)		-	4,384	-	4,384
Transactions with owners of the Company	40,767	4,827	(6,007)		-	39,587	-	39,587
At 30 November 2023	155,996	(7,020)	7,711		3,325	160,012	6,000	166,012

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 2023 with the accompanying explanatory notes attached to the financial statements.

INGENIEUR GUDANG BERHAD
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(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2024

	Current period-to-date 29-Feb-24 RM'000	Preceding year corresponding period ended 28-Feb-23 RM'000
Cash flows (used in)/from operating activities		
Profit before tax	1,445	4,001
Adjustments for:		
Depreciation on property, plant and equipment	114	257
Gain on disposal of assets held for sale	-	(2,630)
Interest expense	505	446
Interest income	(5)	(76)
Operating profit before working capital changes	<u>2,059</u>	<u>1,998</u>
Changes in working capital:		
Decrease/(Increase) in trade and other receivables	19	(11,328)
(Increase)/Decrease in contract assets	(2,497)	2,253
(Decrease)/Increase in trade and other payables	(6,077)	19,704
Increase/(Decrease) in contract liabilities	3,374	(1,463)
Cash (used in)/generated from operations	<u>(3,122)</u>	<u>11,164</u>
Income taxes paid	(137)	(19)
Net cash (used in)/generated from operating activities	<u>(3,259)</u>	<u>11,145</u>
Cash flows (used in)/from investing activities		
Acquisition of subsidiaries, net of cash acquired	-	(7,997)
Acquisition of investment properties	(3,086)	(20,956)
Interest received	5	73
Placement of fixed deposits	(4)	-
Proceeds from disposal of property, plant and equipment	1,000	-
Net proceeds from disposal of assets held for sale	-	61,418
Net cash (used in)/from investing activities	<u>(2,085)</u>	<u>32,538</u>
Cash flows from/(used in) financing activities		
Interest paid	(505)	(446)
Drawdown/(Repayment) of term loan, net	1,663	(40,454)
Proceeds from issuance of ordinary shares pursuant to conversion of ICPS	47	-
Proceeds from issuance of ordinary shares pursuant to exercise of warrants	2,848	-
Proceeds from issuance of ordinary shares pursuant to private placement	-	4,505
Repayment of finance lease liabilities	(14)	(70)
Net cash from/(used in) financing activities	<u>4,039</u>	<u>(36,465)</u>
Net (decrease)/increase in cash and cash equivalents	(1,305)	7,218
Cash and cash equivalents as at beginning of financial period	<u>3,671</u>	<u>2,146</u>
Cash and cash equivalents as at end of financial period	<u><u>2,366</u></u>	<u><u>9,364</u></u>
Cash and cash equivalents comprise of:-		
Cash and bank balances	2,356	9,303
Short term deposits with licensed banks	64	423
Deposits, cash and bank balances	2,970	9,726
Less: Deposits with more than three months maturity	(604)	(362)
Cash and cash equivalents	<u><u>2,366</u></u>	<u><u>9,364</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 2023 with the accompanying explanatory notes attached to the financial statements.

INGENIEUR GUDANG BERHAD

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024

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 2023. 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 2023.

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*

INGENIEUR GUDANG BERHAD

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (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 2023 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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(Incorporated in Malaysia)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (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 29 February 2024.

1. The Company issued 17,206,910 new ordinary shares at RM0.12 per ordinary shares arising from the conversion of 33,623,620 Irredeemable Convertible Preference Shares (“ICPSs”);
2. The Company issued 23,730,650 new ordinary shares at RM0.12 per ordinary shares arising from the 23,730,650 warrants exercised; and
3. 23,175,446 warrants had expired on 26 December 2023,

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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(Incorporated in Malaysia)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (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 &		
	Construction	Others	The Group
	RM'000	RM'000	RM'000
Financial period ended 29 February 2024			
External revenue	6,436	999	7,435
Results			
Profit before following adjustments:-	1,875	184	2,059
Interest income	1	4	5
Depreciation of property, plant and equipment	(112)	(2)	(114)
Segment results	1,764	186	1,950
Finance costs			(505)
Taxation			(428)
Profit after taxation			1,017
As at 29 February 2024			
Assets			
Segment assets	59,848	185,088	244,936
Unallocated assets			26
Consolidated total assets			244,962
Liabilities			
Segment liabilities	30,209	44,730	74,939
Unallocated liabilities			99
Consolidated total liabilities			75,038

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (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 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 and 5 January 2024, the Extended Completion Date was further extended for a period of two (2) months from 6 November 2023 to 6 January 2024 and for a period of three (3) months from 6 January 2024 to 6 April 2024 respectively. The Johor Premises Disposal and Pahang Premises Disposal had been completed on 4 April 2024 as per the terms of the SPA.

2. On 27 October 2023, the Company announced that it proposes to undertake the proposed bonus issue of warrants on the basis of 1 Warrant B for every 2 existing ordinary shares. On 20 February 2024, Bursa Securities had approved the admission to Official List and listing and quotation of 758,296,373 Warrants B to be issued as well as listing and quotation of up to 758,296,373 new Shares to be issued, subject to certain conditions.

On 21 March 2024, the shareholders of the Company had at the EGM approved the Proposed Bonus Issue of Warrants. On 18 April 2024, the Company had executed a deed poll constituting the Warrants B and announced the Ex-date and entitlement date.

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(Incorporated in Malaysia)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (CONT'D)

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

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.

A11. Changes in composition of the Group during the financial period

There were no changes in the composition of the Group during the current financial period ending 29 February 2024.

A12. Contingent liabilities

As at 29 February 2024, the Company has issued corporate guarantees for banking facilities granted to subsidiaries of which RM16.60 million were utilised.

A13. Capital commitment

	As at 29-Feb-24 RM'000	As at 28-Feb-23 RM'000
Approved and contracted for:		
- Investment properties	5,317	22,856

A14. 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 year ended	
	29-Feb-24 RM'000	28-Feb-23 RM'000	29-Feb-24 RM'000	28-Feb-23 RM'000
Transactions with a substantial shareholder				
- Rental income	-	623	-	623
- Progress billings	-	1,498	-	1,498
Transactions with companies in which certain Directors of the Company have interests				
- Rental income	618	-	618	-
- Progress billings	5,102	-	5,102	-

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Registration No. 200601012544 (732294-W)
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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (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) Disposals of Johor and Pahang Premises

As disclosed in Note A9 (1), on 16 November 2022, the Company obtained its shareholders approval for the Proposed Johor Premises Disposal and Proposed Pahang Premises Disposal. The Proposed Disposals had been completed on 4 April 2024 as per the terms of the SPA.

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 FIRST QUARTER ENDED 29 FEBRUARY 2024 (CONT'D)

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

B1. Review of performance

	Individual Quarter				Cumulative Year			
	29-Feb-24	28-Feb-23	Changes		29-Feb-24	28-Feb-23	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue								
- Construction	6,436	7,578	(1,142)	-15%	6,436	7,578	(1,142)	-15%
- Property Investment & Others	999	788	211	27%	999	788	211	27%
	7,435	8,366	(931)	-11%	7,435	8,366	(931)	-11%
Profit before taxation								
- Construction	1,234	1,407	(173)	-12%	1,234	1,407	(173)	-12%
- Property Investment & Others	211	2,594	(2,383)	-92%	211	2,594	(2,383)	-92%
	1,445	4,001	(2,556)	-64%	1,445	4,001	(2,556)	-64%

The Group posted revenue of RM7.44 million and profit before tax (“PBT”) of RM1.45 million for the first quarter ended 29 February 2024 (“Q1FY2024”) as compared to revenue of RM8.37 million and PBT of RM4.00 million for the first quarter ended 28 February 2023 (“Q1FY2023”).

The Group posted lower revenue as compared to Q1FY2023 mainly due to slower progress recognition in construction segment, mitigated by slight increase in rental income from property investment and others segment.

Overall PBT was lower in Q1FY2024 mainly due to gain on disposal of assets held for sale from property investment and others segment in Q1FY2023 coupled with slower work progress in construction segment.

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (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 29-Feb-24 RM'000	Immediate preceeding quarter ended 30-Nov-23 RM'000	Changes	
			RM'000	%
Revenue				
- Construction	6,436	3,134	3,302	105%
- Property Investment & Others	999	896	103	11%
	7,435	4,030	3,405	84%
Profit before taxation				
- Construction	1,234	(1,746)	2,980	171%
- Property Investment & Others	211	18,932	(18,721)	-99%
	1,445	17,186	(15,741)	-92%

The Group reported revenue and PBT of RM7.44 million and RM1.45 million respectively in current quarter as compared with revenue and PBT of RM4.03 million and RM17.19 million reported in the preceding quarter ended (“Q4FY2023”). The Group’s revenue has improved mainly due to new projects secured from the construction segment during the current quarter under review. Overall PBT was lower in Q1FY2024 mainly due to fair value gain of investment properties in Q4FY2023.

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 better 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.

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(Incorporated in Malaysia)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (CONT'D)

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

B5. Income tax expense

	Individual quarter ended		Cumulative year ended	
	29-Feb-24	28-Feb-23	29-Feb-24	28-Feb-23
	RM'000	RM'000	RM'000	RM'000
The income tax expense consist of:				
- Current tax expense	(428)	-	(428)	-

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

	Individual quarter ended		Cumulative year ended	
	29-Feb-24	28-Feb-23	29-Feb-24	28-Feb-23
	RM'000	RM'000	RM'000	RM'000
<u>After charging/(crediting):</u>				
Depreciation on property, plant and equipment	114	257	114	257
Interest expense	505	446	505	446
Gain on disposal of assets held for sale	-	(2,630)	-	(2,630)
Interest income	(5)	(76)	(5)	(76)

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.

B8. Group's borrowings

The Group's borrowings as at 29 February 2024 are as follows:

	Current Secured	Non-current Secured	Total
	RM'000	RM'000	RM'000
Term loans	2,614	33,088	35,702
Finance lease liabilities	24	-	24
Total	2,638	33,088	35,726

The above borrowings are denominated in Ringgit Malaysia.

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(Incorporated in Malaysia)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (CONT'D)

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

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.

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.

During the case management held on 5 October 2023 and 21 November 2023 via e-review, the Court has directed, amongst others that the next case management be held on 21 November 2023 and 21 February 2024 (adjourned to 13 March 2024) respectively 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 FIRST QUARTER ENDED 29 FEBRUARY 2024 (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)

The hearing of the Plaintiff’s summary judgment application (“Enclosure 17”) and the case management for the main suit (“Enclosure 1”) took place on 13 March 2024 via Zoom. After hearing the submissions from both parties, the High Court dismissed Enclosure 17 with costs in the cause. Case management for the suit is fixed on 15 April 2024 before the Deputy Registrar via e-review.

During the case management held on 15 April 2024 via e-review, the Court has directed the pleadings are deemed to be closed, and parties are to file bundle of pleadings, common bundle of documents, issues to be tried, statement of agreed facts and list of witnesses on or before 27 May 2024. Case management for the suit is fixed on 28 May 2024 before the Deputy Registrar via e-review.

B10. Proposed dividend

The Board did not recommend any dividend for the current quarter ended 29 February 2024.

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	
	29-Feb-24	28-Feb-23	29-Feb-24	28-Feb-23
Profit attributable to owners of the Company (RM'000)	1,017	4,001	1,017	4,001
Weighted average number of ordinary shares ('000)	1,508,467	1,033,310	1,508,467	1,033,310
Basic earnings per share (sen)	0.07	0.39	0.07	0.39

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (CONT'D)

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

B11. Earnings per ordinary share (Cont'd)

(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 for the current financial quarter and financial period to date ended 29 February 2024 were not presented as the Group does not have any convertible options at the end of the reporting period.

The diluted earnings per share of the Group for the previous financial quarter and previous financial period to date ended 28 February 2023 were not presented as the effect of the assumed conversion of ICPS on the earnings per ordinary share was anti-dilutive. The effect of the assumed exercise of Warrants had not been considered as the exercise price of the Warrants was higher than the average market price of the Company's shares.

This report is dated 24 April 2024.