



# **INGENIEUR GUDANG BERHAD**

Registration No. 200601012544 (732294-W)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 MAY 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 31 MAY 2024**

|   | <b>As at<br/>31-May-24<br/>Unaudited<br/>RM'000</b> | <b>As at<br/>30-Nov-23<br/>Audited<br/>RM'000</b> |
|---|---|---|
| <b>Assets</b>   |   |   |
| <b>Non-current assets</b>   |   |   |
| Property, plant and equipment   | 1,314   | 1,331   |
| Investment properties   | 190,979   | 183,899   |
| <b>Total non-current assets</b>   | <u>192,293</u>                                      | <u>185,230</u>                                    |
| <b>Current assets</b>   |   |   |
| Trade and other receivables   | 18,589  | 11,482  |
| Contract assets   | 386   | 309   |
| Contract costs  | -   | 309   |
| Tax recoverable   | 20  | 218   |
| Deposits, cash and bank balances  | 2,767   | 4,272   |
|   | <u>21,762</u>                                       | <u>16,590</u>                                     |
| Asset classified as held for sale   | 15,900  | 40,187  |
| <b>Total current assets</b>   | <u>37,662</u>                                       | <u>56,777</u>                                     |
| <b>Total assets</b>   | <u>229,955</u>                                      | <u>242,007</u>                                    |
| <b>Equity</b>   |   |   |
| Share capital   | 159,582   | 155,996   |
| Reserves  | 10,822  | 4,016   |
| <b>Total equity attributable to owners of the Company</b>                 | <u>170,404</u>                                      | <u>160,012</u>                                    |
| Non-controlling interests   | 6,000   | 6,000   |
| <b>Total equity</b>   | <u>176,404</u>                                      | <u>166,012</u>                                    |
| <b>Liabilities</b>  |   |   |
| <b>Non-current liabilities</b>  |   |   |
| Deferred tax liabilities  | 7,136   | 7,136   |
| Loans and borrowings  | 26,015  | 31,446  |
| <b>Total non-current liabilities</b>                                      | <u>33,151</u>                                       | <u>38,582</u>                                     |
| <b>Current liabilities</b>  |   |   |
| Trade and other payables  | 11,552  | 33,117  |
| Contract liabilities  | 6,769   | 1,666   |
| Current tax liabilities   | 99  | -   |
| Loans and borrowings  | 1,980   | 2,630   |
| <b>Total current liabilities</b>  | <u>20,400</u>                                       | <u>37,413</u>                                     |
| <b>Total liabilities</b>  | <u>53,551</u>                                       | <u>75,995</u>                                     |
| <b>Total equity and liabilities</b>                                       | <u>229,955</u>                                      | <u>242,007</u>                                    |
| Net assets per ordinary share attributable to owners of the Company (sen) | 11.24   | 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.*

**INGENIEUR GUDANG 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 2024**

|  | Individual period                                       |   | Cumulative period                                     |  |
|--|---|---|---|--|
|  | Current period-<br>quarter-ended<br>31-May-24<br>RM'000 | Preceding period<br>corresponding<br>quarter ended<br>31-May-23<br>RM'000 | Current year-to-<br>date ended<br>31-May-24<br>RM'000 | Preceding year<br>corresponding<br>year ended<br>31-May-23<br>RM'000 |
| Revenue  | 12,290  | 4,573   | 19,725  | 12,939   |
| Cost of sales  | (6,023)   | (2,518)   | (10,547)  | (7,980)  |
| Gross profit   | 6,267   | 2,055   | 9,178   | 4,959  |
| Other income   | 2,098   | -   | 2,102   | 2,707  |
| Administrative expenses  | (475)   | (1,199)   | (1,331)   | (2,181)  |
| Other operating expenses   | (619)   | (256)   | (733)   | (514)  |
| <b>Results from operating activities</b>   | 7,271   | 600   | 9,216   | 4,971  |
| Finance income   | 4   | 22  | 9   | 98   |
| Finance costs  | (676)   | (388)   | (1,181)   | (834)  |
| Net finance costs  | (672)   | (366)   | (1,172)   | (736)  |
| <b>Profit before tax</b>   | 6,599   | 234   | 8,044   | 4,235  |
| Tax expense  | (119)   | -   | (547)   | -  |
| <b>Net profit after taxation/Total<br/>comprehensive income for the<br/>financial period</b> | 6,480   | 234   | 7,497   | 4,235  |
| <b>Profit after taxation<br/>attributable to:</b>  |   |   |   |  |
| Owners of the Company  | 6,480   | 234   | 7,497   | 4,235  |
| Non-controlling interests  | -   | -   | -   | -  |
|  | 6,480   | 234   | 7,497   | 4,235  |
| <b>Total comprehensive income<br/>attributable to:</b>                                       |   |   |   |  |
| Owners of the Company  | 6,480   | 234   | 7,497   | 4,235  |
| Non-controlling interests  | -   | -   | -   | -  |
|  | 6,480   | 234   | 7,497   | 4,235  |
| <b>Earnings per ordinary share (sen):</b>  |   |   |   |  |
| Basic  | 0.43  | 0.02  | 0.50  | 0.40   |
| 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.*

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**CONDENSED INTERIM FINANCIAL STATEMENT**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MAY 2024**

|  | <----- Attributable to owners of the Company -----> |                           |                            | Distributable<br>(Accumulated<br>losses)/ Retained<br>earnings<br>RM'000 | Total<br>RM'000 | Non-controlling<br>interests<br>RM'000 | Total Equity<br>RM'000 |
|--|---|---------------------------|----------------------------|--|-----------------|--|------------------------|
|  | Share capital<br>RM'000                             | Capital reserve<br>RM'000 | Warrants reserve<br>RM'000 |  |                 |  |                        |
| <b>At 1 December 2023</b>  | 155,996   | (7,020)                   | 7,711                      | 3,325  | 160,012         | 6,000                                  | 166,012                |
| Profit for the period  | -   | -                         | -                          | 7,497  | 7,497           | -                                      | 7,497                  |
| 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)                    | -  | -               | -                                      | -                      |
| <b>Transactions with owners of the Company</b>   | 3,586   | 7,020                     | (7,711)                    | -  | 2,895           | -                                      | 2,895                  |
| <b>At 31 May 2024</b>  | <b>159,582</b>                                      | <b>-</b>                  | <b>-</b>                   | <b>10,822</b>  | <b>170,404</b>  | <b>6,000</b>                           | <b>176,404</b>         |
| <b>At 1 December 2022</b>  | 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                  |
| <b>Transactions with owners of the Company</b>   | 40,767  | 4,827                     | (6,007)                    | -  | 39,587          | -                                      | 39,587                 |
| <b>At 30 November 2023</b>   | <b>155,996</b>                                      | <b>(7,020)</b>            | <b>7,711</b>               | <b>3,325</b>   | <b>160,012</b>  | <b>6,000</b>                           | <b>166,012</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 2023 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 31 MAY 2024**

|  | <b>Current period-to-date<br/>31-May-24<br/>RM'000</b> | <b>Preceding year<br/>corresponding<br/>period ended<br/>31-May-23<br/>RM'000</b> |
|--|--|---|
| <b>Cash flows from/(used in) operating activities</b>                      |  |   |
| Profit before tax  | 8,044  | 4,235   |
| Adjustments for:   |  |   |
| Bad debts written off  | 506  | -   |
| Depreciation on property, plant and equipment                              | 227  | 514   |
| Gain on disposal of assets held for sale                                   | (1,713)  | (2,630)   |
| Interest expense   | 1,181  | 834   |
| Interest income  | (9)  | (98)  |
| Reversal of impairment on trade receivables                                | (500)  | -   |
| Write back of trade payable and accruals                                   | (389)  | -   |
| <b>Operating profit before working capital changes</b>                     | 7,347  | 2,855   |
| <b>Changes in working capital:</b>   |  |   |
| (Increase)/Decrease in trade and other receivables                         | (8,113)  | 20,107  |
| Decrease in contract assets  | 232  | 2,658   |
| Decrease in trade and other payables                                       | (2,988)  | (25,447)  |
| Increase/(Decrease) in contract liabilities                                | 5,104  | (1,312)   |
| <b>Cash generated from/(used in) operations</b>                            | 1,582  | (1,139)   |
| Income taxes paid  | (250)  | (38)  |
| <b>Net cash from/(used in) operating activities</b>                        | 1,332  | (1,177)   |
| <b>Cash flows (used in)/from investing activities</b>                      |  |   |
| Acquisition of subsidiaries, net of cash acquired                          | -  | (7,997)   |
| Acquisition of property, plant and equipment                               | (210)  | (1)   |
| Acquisition of investment properties                                       | (7,080)  | (24,757)  |
| Interest received  | 9  | 93  |
| Placement of fixed deposits  | (8)  | -   |
| Proceeds from disposal of property, plant and equipment                    | 1,000  | -   |
| Net proceeds from disposal of assets held for sale                         | -  | 61,418  |
| <b>Net cash (used in)/from investing activities</b>                        | (6,289)  | 28,756  |
| <b>Cash flows from/(used in) financing activities</b>                      |  |   |
| Interest paid  | (1,181)  | (834)   |
| Drawdown/(Repayment) of term loan, net                                     | 1,760  | (40,885)  |
| 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    | -  | 25,251  |
| Repayment of finance lease liabilities                                     | (29)   | (161)   |
| <b>Net cash from/(used in) financing activities</b>                        | 3,445  | (16,629)  |
| Net (decrease)/increase in cash and cash equivalents                       | (1,512)  | 10,950  |
| Cash and cash equivalents as at beginning of financial period              | 3,671  | 2,146   |
| <b>Cash and cash equivalents as at end of financial period</b>             | 2,159  | 13,096  |
| <b>Cash and cash equivalents comprise of:-</b>                             |  |   |
| Cash and bank balances   | 2,149  | 13,012  |
| Short term deposits with licensed banks                                    | 618  | 498   |
| Deposits, cash and bank balances   | 2,767  | 13,510  |
| Less: Deposits with more than three months maturity                        | (608)  | (414)   |
| Cash and cash equivalents  | 2,159  | 13,096  |

*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.*

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

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 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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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 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 31 May 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;
3. 23,175,446 warrants had expired on 26 December 2023; and
4. 758,296,368 Warrants issued pursuant to the Bonus Issue of Warrants, and the listing and quotation of the Warrants on 17 May 2024.

#### 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 SECOND QUARTER ENDED 31 MAY 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.

|   | Construction<br>RM'000 | Property<br>Investment &<br>Others<br>RM'000 | The Group<br>RM'000 |
|---|------------------------|--|---------------------|
| <b>Financial period ended 31 May 2024</b>     |                        |  |                     |
| External revenue                              | 17,844                 | 1,881  | 19,725              |
| <b>Results</b>                                |                        |  |                     |
| Profit before following adjustments:-         | 7,619                  | 1,824  | 9,443               |
| Interest income                               | 1                      | 8  | 9                   |
| Depreciation of property, plant and equipment | (224)                  | (3)  | (227)               |
| Segment results                               | 7,396                  | 1,829  | 9,225               |
| Finance costs                                 |                        |  | (1,181)             |
| Taxation                                      |                        |  | (547)               |
| Profit after taxation                         |                        |  | 7,497               |
| <b>As at 31 May 2024</b>                      |                        |  |                     |
| <b>Assets</b>                                 |                        |  |                     |
| Segment assets                                | 42,681                 | 187,254                                      | 229,935             |
| Unallocated assets                            |                        |  | 20                  |
| Consolidated total assets                     |                        |  | 229,955             |
| <b>Liabilities</b>                            |                        |  |                     |
| Segment liabilities                           | 9,179                  | 44,273                                       | 53,452              |
| Unallocated liabilities                       |                        |  | 99                  |
| Consolidated total liabilities                |                        |  | 53,551              |

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 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 Warrants B as well as 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 17 May 2024, Bonus Issue of Warrants has been completed following the listing and quotation for 758,296,368 Warrants B on Bursa Securities.

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 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 31 May 2024.

#### A12. Contingent liabilities

As at 31 May 2024, the Company has issued corporate guarantees for banking facilities granted to subsidiaries of which RM9.24 million were utilised.

#### A13. Capital commitment

|                              | <b>As at<br/>31-May-24<br/>RM'000</b> | <b>As at<br/>31-May-23<br/>RM'000</b> |
|------------------------------|---------------------------------------|---------------------------------------|
| Approved and contracted for: |                                       |                                       |
| - Investment properties      | 750                                   | 19,511                                |

#### 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>31-May-24<br/>RM'000</b>     | <b>31-May-23<br/>RM'000</b> | <b>31-May-24<br/>RM'000</b>  | <b>31-May-23<br/>RM'000</b> |
| Transactions with a substantial shareholder  |                                 |                             |                              |                             |
| - Rental income  | -                               | 618                         | -                            | 1,241                       |
| - Progress billings  | -                               | 1,139                       | -                            | 2,637                       |
| Transactions with companies in which certain Directors of the Company have interests |                                 |                             |                              |                             |
| - Rental income  | 618                             | -                           | 1,236                        | -                           |
| - Progress billings  | 3,845                           | -                           | 8,947                        | -                           |

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

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 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     |                     |                   |            |
|--------------------------------|---------------------|---------------------|-------------------|--------------|---------------------|---------------------|-------------------|------------|
|                                | 31-May-24<br>RM'000 | 31-May-23<br>RM'000 | Changes<br>RM'000 | %            | 31-May-24<br>RM'000 | 31-May-23<br>RM'000 | Changes<br>RM'000 | %          |
| <b>Revenue</b>                 |                     |                     |                   |              |                     |                     |                   |            |
| - Construction                 | 11,408              | 3,775               | 7,633             | 202%         | 17,844              | 11,353              | 6,491             | 57%        |
| - Property Investment & Others | 882                 | 798                 | 84                | 11%          | 1,881               | 1,586               | 295               | 19%        |
|                                | <b>12,290</b>       | <b>4,573</b>        | <b>7,717</b>      | <b>169%</b>  | <b>19,725</b>       | <b>12,939</b>       | <b>6,786</b>      | <b>52%</b> |
| <b>Profit before taxation</b>  |                     |                     |                   |              |                     |                     |                   |            |
| - Construction                 | 5,265               | 316                 | 4,949             | 1566%        | 6,499               | 1,723               | 4,776             | 277%       |
| - Property Investment & Others | 1,334               | (82)                | 1,416             | 1727%        | 1,545               | 2,512               | (967)             | -38%       |
|                                | <b>6,599</b>        | <b>234</b>          | <b>6,365</b>      | <b>2720%</b> | <b>8,044</b>        | <b>4,235</b>        | <b>3,809</b>      | <b>90%</b> |

The Group posted revenue of RM12.29 million and profit before tax (“PBT”) of RM6.60 million for the second quarter ended 31 May 2024 (“Q2FY2024”) as compared to revenue of RM4.57 million and PBT of RM0.23 million for the second quarter ended 31 May 2023 (“Q2FY2023”).

The Group posted higher revenue as compared to Q2FY2023 mainly due to new projects secured as well as better progress recognition in construction segment during the current financial period.

Overall PBT was better in Q2FY2024 mainly due to gain on disposal of assets held for sale coupled with increase in revenue from construction segment as mentioned above.

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 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<br>quarter<br>ended<br>31-May-24<br>RM'000 | Immediate<br>preceeding<br>quarter<br>ended<br>29-Feb-24<br>RM'000 | Changes      |             |
|--------------------------------|--|--|--------------|-------------|
|                                |  |  | RM'000       | %           |
| <b>Revenue</b>                 |  |  |              |             |
| - Construction                 | 11,408   | 6,436  | 4,972        | 77%         |
| - Property Investment & Others | 882  | 999  | (117)        | -12%        |
|                                | <b>12,290</b>                                      | <b>7,435</b>   | <b>4,855</b> | <b>65%</b>  |
| <b>Profit before taxation</b>  |  |  |              |             |
| - Construction                 | 5,265  | 1,234  | 4,031        | 327%        |
| - Property Investment & Others | 1,334  | 211  | 1,123        | 532%        |
|                                | <b>6,599</b>                                       | <b>1,445</b>   | <b>5,154</b> | <b>357%</b> |

The Group reported revenue and PBT of RM12.29 million and RM6.60 million respectively in current quarter as compared with revenue and PBT of RM7.44 million and RM1.45 million reported in the preceding quarter ended (“Q1FY2024”). The Group’s revenue has improved mainly due to higher work progress from the construction segment during the current quarter under review. Overall PBT was higher in Q2FY2024 mainly due to gain on disposal of assets held for sale coupled with increase in revenue from construction segment.

#### 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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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 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 |           |
|------------------------------------|--------------------------|-----------|-----------------------|-----------|
|                                    | 31-May-24                | 31-May-23 | 31-May-24             | 31-May-23 |
|                                    | RM'000                   | RM'000    | RM'000                | RM'000    |
| The income tax expense consist of: |                          |           |                       |           |
| - Current tax expense              | (119)                    | -         | (547)                 | -         |

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

|  | Individual quarter ended |           | Cumulative year ended |           |
|--|--------------------------|-----------|-----------------------|-----------|
|  | 31-May-24                | 31-May-23 | 31-May-24             | 31-May-23 |
|  | RM'000                   | RM'000    | RM'000                | RM'000    |
| <u>After charging/(crediting):</u>               |                          |           |                       |           |
| Bad debts written off                            | 506                      | -         | 506                   | -         |
| Depreciation on property, plant and equipment    | 113                      | 257       | 227                   | 514       |
| Interest expense                                 | 676                      | 388       | 1,181                 | 834       |
| Gain on disposal of assets held for sale         | (1,713)                  | -         | (1,713)               | (2,630)   |
| Interest income                                  | (4)                      | (22)      | (9)                   | (98)      |
| Reversal of impairment loss on trade receivables | (500)                    | -         | (500)                 | -         |
| Write back of trade payable and accruals         | (385)                    | -         | (389)                 | -         |

#### 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 31 May 2024 are as follows:

|                           | Current | Non-current | Total  |
|---------------------------|---------|-------------|--------|
|                           | Secured | Secured     |        |
|                           | RM'000  | RM'000      | RM'000 |
| Term loans                | 1,971   | 26,015      | 27,986 |
| Finance lease liabilities | 9       | -           | 9      |
| Total                     | 1,980   | 26,015      | 27,995 |

The above borrowings are denominated in Ringgit Malaysia.

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### 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.



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## **NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 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.

During the case management held on 28 May 2024 via e-review, the Court has directed the next case management be held on 6 June 2024, via Zoom.

During the case management held on 6 June 2024 via Zoom, the Court has directed the plaintiff to file issues to be tried and list of witnesses in respect of the main suit by 21 June 2024, the defendant to proceed to file issues to be tried, common bundle of documents and statement of agreed facts by 21 June 2024; and next case management be held on 21 June 2024 via Zoom.

During the case management held on 21 June 2024 via Zoom, the Court has directed the parties to file all the pre-trial documents before 23 July 2024; and next case management be held on 23 July 2024 via Zoom.

#### **B10. Proposed dividend**

The Board did not recommend any dividend for the current quarter ended 31 May 2024.

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2024 (CONT'D)

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

#### 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 |           |
|---|--------------------------|-----------|-----------------------|-----------|
|   | 31-May-24                | 31-May-23 | 31-May-24             | 31-May-23 |
| Profit attributable to owners of the Company (RM'000) | 6,480                    | 234       | 7,497                 | 4,235     |
| Weighted average number of ordinary shares ('000)     | 1,516,593                | 1,125,813 | 1,512,552             | 1,066,363 |
| Basic earnings per share (sen)                        | 0.43                     | 0.02      | 0.50                  | 0.40      |

##### (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 31 May 2024 were not presented as the exercise price of the Warrants was higher than the average market price of the Company's shares.

The diluted earnings per share of the Group for the previous financial quarter and previous financial period to date ended 31 May 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 19 July 2024.