



GADANG HOLDINGS BERHAD

199301023376 (278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (The figures are unaudited)

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 Months Ended 31/05/2022	3 Months Ended 31/05/2021	Variance	12 Months Ended 31/05/2022	12 Months Ended 31/05/2021	Variance
	RM'000	RM'000 (Restated)	%	RM'000	RM'000 (Restated)	%
Revenue	138,177	152,349	-9	651,993	574,768	13
Cost of sales	(121,619)	(127,191)	-4	(518,853)	(494,232)	5
Gross profit	16,558	25,158	-34	133,140	80,536	>100
Other income	4,536	1,710	165	13,386	9,992	34
Administrative expenses	(6,908)	(6,280)	10	(27,482)	(27,815)	-1
Depreciation	(2,244)	(1,913)	17	(8,391)	(7,357)	14
Operating expenses	(3,871)	(3,626)	7	(18,765)	(15,496)	21
Other expenses	(1,113)	(6,538)	-83	(7,974)	(12,583)	-37
Finance costs	(3,344)	3,932	-185	(12,432)	(5,623)	121
Share of results of joint ventures	(1,514)	547	>100	(1,347)	301	>100
Profit before tax	2,100	12,990	>100	70,135	21,955	>100
Income tax expense	(6,177)	(2,297)	>100	(27,076)	(8,691)	>100
Net profit/(loss) for the financial period	(4,077)	10,693	>100	43,059	13,264	>100
Other comprehensive income:						
Actuarial gain on defined benefit obligation	183	514	>100	183	514	>100
Foreign currency translation	2,915	1,600	>100	3,841	(1,970)	>100
Total comprehensive income/(loss) for the financial period	(979)	12,807	>100	47,083	11,808	>100
Net profit/(loss) attributable to:						
Equity holders of the Company	(4,128)	10,746	>100	41,550	12,901	>100
Non-controlling interests	51	(53)	>100	1,509	363	>100
	(4,077)	10,693	>100	43,059	13,264	>100
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	(1,163)	12,784	>100	45,394	11,553	>100
Non-controlling interests	184	23	>100	1,689	255	>100
	(979)	12,807	>100	47,083	11,808	>100
Earnings per share attributable to equity holders of the Company:						
- Basic (sen)	(0.57)	1.48	>100	5.71	1.77	>100
- Diluted (sen)	(0.57)	1.48	>100	5.71	1.77	>100

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2021.



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2022 (The figures are unaudited)

	Unaudited As At 31/05/2022 RM'000	Audited As At 31/05/2021 RM'000 (Restated)	Audited As At 01/06/2020 RM'000 (Restated)
ASSETS			
Non-current assets			
Investment in joint ventures	227	1,574	1,273
Concession assets	123,744	111,493	104,899
Intangible assets	31,827	35,639	37,612
Property, plant and equipment	18,408	22,483	29,283
Right-of-use assets	19,742	19,898	21,039
Investment properties	72,375	72,620	76,109
Inventories	-	3,913	3,913
Trade and other receivables	24,980	3,035	2,891
Other investments	1,798	3,416	6,800
Goodwill on consolidation	17,375	22,754	23,002
Deferred tax assets	27,545	31,443	26,770
	338,021	328,268	333,591
Current assets			
Inventories	631,652	760,902	796,559
Contract costs	6,586	3,757	1,438
Trade and other receivables	125,784	150,288	142,313
Contract assets	174,284	184,555	157,335
Current tax assets	2,264	7,644	8,474
Short term funds	111,996	103,248	94,876
Deposits with licensed banks	27,209	74,806	101,610
Cash and bank balances	149,803	108,055	106,340
	1,229,578	1,393,255	1,408,945
TOTAL ASSETS	1,567,599	1,721,523	1,742,536



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2022 (Continued) (The figures are unaudited)

	Unaudited As At 31/05/2022 RM'000	Audited As At 31/05/2021 RM'000 (Restated)	Audited As At 01/06/2020 RM'000 (Restated)
EQUITY AND LIABILITIES			
Equity attributable to Equity Holders of the Company			
Share Capital	389,521	389,521	389,521
Reserves	435,807	392,597	387,930
	825,328	782,118	777,451
Non-controlling interests	6,690	4,997	4,742
Total equity	832,018	787,115	782,193
Non-current liabilities			
Bank borrowings	203,586	250,912	163,769
Lease liabilities	5,641	4,565	5,710
Deferred tax liabilities	2,198	2,637	3,078
Defined benefit obligations	2,178	2,028	2,833
Non-trade payables	139,111	186,643	175,224
	352,714	446,785	350,614
Current liabilities			
Trade and other payables	270,369	271,821	399,049
Contract liabilities	18,875	60,870	87,922
Bank borrowings	82,509	148,407	114,625
Lease liabilities	2,725	4,863	4,947
Current tax liabilities	8,389	1,662	3,186
	382,867	487,623	609,729
Total liabilities	735,581	934,408	960,343
TOTAL EQUITY AND LIABILITIES	1,567,599	1,721,523	1,742,536
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.14	1.08	1.11

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2021.



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199301023376 (278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (The figures are unaudited)

	Share Capital RM'000	Share Option Reserves RM'000	Capital Reserves RM'000	Foreign Exchange Translation Reserves RM'000	Retained Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 June 2021								
As previously reported	389,521	5,529	1,347	(3,597)	423,821	816,621	4,997	821,618
Effects of adoption of Agenda Decision	-	-	-	-	(34,503)	(34,503)	-	(34,503)
As restated	389,521	5,529	1,347	(3,597)	389,318	782,118	4,997	787,115
Total comprehensive income	-	-	-	3,661	41,550	45,211	1,689	46,900
Actuarial gain on defined benefit obligation	-	-	-	-	183	183	-	183
Dividend on ordinary shares	-	-	-	-	(2,184)	(2,184)	-	(2,184)
Acquisition of a subsidiary	-	-	-	-	-	-	4	4
Transfer to retained earnings for share options lapsed	-	(5,529)	-	-	5,529	-	-	-
At 31 May 2022	389,521	-	1,347	64	434,396	825,328	6,690	832,018
At 1 June 2020								
As previously reported	389,521	5,680	1,347	(1,735)	419,248	814,061	4,742	818,803
Effects of adoption of Agenda Decision	-	-	-	-	(36,610)	(36,610)	-	(36,610)
As restated	389,521	5,680	1,347	(1,735)	382,638	777,451	4,742	782,193
Total comprehensive income	-	-	-	(1,862)	12,901	11,039	255	11,294
Dividend on ordinary shares	-	-	-	-	(7,281)	(7,281)	-	(7,281)
Share options lapsed	-	(546)	-	-	546	-	-	-
Recognition of share option expenses	-	395	-	-	-	395	-	395
At 31 MAY 2021	389,521	5,529	1,347	(3,597)	389,318	782,118	4,997	787,115

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2021.



GADANG HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (The figures are unaudited)

	12 Months Ended 31/05/2022 RM'000	12 Months Ended 31/05/2021 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax:	70,135	21,955
Adjustments for:		
Accretion of interest on:		
- amount owing to a director	-	53
Accretion of interest on other receivables	(198)	(84)
Bad debts recovered	(29)	-
Bad debts written off	20	7
Deposits written off	-	8
Depreciation of:		
- intangible assets	4,824	2,783
- investment properties	837	966
- property, plant and equipment	5,018	5,192
- right-of-use assets	4,805	5,110
Share option expenses	-	395
Fair value loss on quoted investments	1,618	2,838
Finance costs	13,369	12,140
Gain on disposal of:		
- investment properties	-	(157)
- quoted investments	-	(58)
- property, plant and equipment	(4,262)	(2,590)
- right-of-use assets	-	(263)
Impairment loss on goodwill	5,939	-
Impairment loss on:		
- intangible assets	-	573
- inventories	-	7,946
- trade and other receivables	199	-
Income received from short term funds	(1,321)	(1,411)
Increase/(Decrease) in liability for defined benefit obligations	414	(64)
Interest income	(1,750)	(2,275)
Net unrealised (gain)/loss on foreign exchange	(1,903)	817
Property, plant and equipment written off	1	22
Intangible assets written off	7	5
Share of results of joint ventures	1,347	(301)
Operating profit before working capital changes	99,070	53,607
Changes in working capital:		
Contract assets/(liabilities)	78,842	(44,769)
Contract costs	(2,829)	(2,319)
Inventories	22,596	18,207
Payables	(49,421)	(114,999)
Receivables	2,653	(8,050)
Cash generated from/(used in) operations	150,911	(98,323)
Net income tax paid	(11,510)	(14,648)
Net Operating Cash Flows	139,401	(112,971)



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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (Continued) (The figures are unaudited)

	12 Months Ended 31/05/2022 RM'000	12 Months Ended 31/05/2021 RM'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of:		
- investment properties	(590)	-
- concession assets	(7,413)	(9,414)
- intangible assets	(472)	(1,831)
- property, plant and equipment	(953)	(2,354)
- right-of-use assets	(503)	(61)
Investment in a subsidiary	4	-
Proceeds from disposal of:		
- investment properties	-	2,680
- other investment	-	603
- property, plant and equipment	4,358	2,619
- right-of-use assets	-	898
Income received from short term funds	1,321	1,411
Interest income	1,750	2,275
Net Investing Cash Flows	(2,498)	(3,174)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	19,628	189,870
Finance costs	(13,369)	(12,140)
Repayment of:		
- bank borrowings	(133,679)	(60,738)
- lease liabilities	(5,207)	(5,411)
Fixed deposits pledged as security values	41,688	21,447
Dividend paid	(2,184)	(7,281)
Net Financing Cash Flows	(93,123)	125,747
Net change in cash and cash equivalents	43,780	9,602
Effect of exchange rate changes	835	(656)
Cash and cash equivalents at the beginning of the financial period	222,073	213,127
Cash and cash equivalents at the end of the financial period	266,688	222,073
Analysis of Cash and Cash Equivalents:-		
Cash and bank balances	149,803	108,055
Short term funds	111,996	103,248
Deposits with licensed banks	27,209	74,806
Bank overdrafts	(3,907)	(3,935)
	285,101	282,174
Less: Fixed deposits pledged as security values	(18,413)	(60,101)
Total	266,688	222,073

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2021.



GADANG HOLDINGS BERHAD

199301023376 (278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2022

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The unaudited interim financial report has been prepared according to Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2021. The explanatory notes attached to the interim financial report 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 31 May 2021.

A2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted by the Group in the quarterly financial statements are consistent with those adopted in the financial statements for the financial year ended 31 May 2021, except for the changes arising from the adoption of Amendments/Improvements to MFRSs as follows:

Standard	Title
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to MFRS 16	COVID-19-Related Rent Concession

The adoption of these Amendments/Improvements to MFRSs do not have any material impact on the financial statement of the Group, except for IFRIC Agenda Decision on MFRS 123 Borrowing Costs, which is discussed below.

IFRIC Agenda Decision on MFRS 123 Borrowing Costs

In March 2019, the IFRS Interpretations Committee (“IFRIC”) published an agenda decision confirming receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the MASB decided that an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

Effective 1 June 2021, the Group had retrospectively applied the Agenda Decision and comparative figures have been restated as a result of transition requirement under Agenda Decision.



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INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2022

**PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD
("MFRS") 134 INTERIM FINANCIAL REPORTING**

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

IFRIC Agenda Decision on MFRS 123 Borrowing Costs (Continued)

The effects of the adoption of the Agenda Decision on the condensed consolidated statements of financial position are summarised as follows:-

	31/5/2021			1/6/2020		
	As previously reported RM'000	Effects of adoption of Agenda Decision RM'000	As Restated RM'000	As previously reported RM'000	Effects of adoption of Agenda Decision RM'000	As Restated RM'000
Non-current assets						
Deferred tax assets	30,529	914	31,443	26,079	691	26,770
Current assets						
Inventories	796,317	(35,415)	760,902	833,860	(37,301)	796,559
Equity						
Reserves	427,099	(34,501)	392,598	424,540	(36,610)	387,930



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INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2022

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

IFRIC Agenda Decision on MFRS 123 Borrowing Costs (Continued)

The effects of the adoption of the Agenda Decision on the condensed consolidated statements of comprehensive income are summarised as follows:-

	INDIVIDUAL QUARTER 3 Months Ended 31/05/2021			CUMULATIVE PERIOD 12 Months Ended 31/05/2021		
	As previously reported RM'000	Effects of adoption of Agenda Decision RM'000	As Restated RM'000	As previously reported RM'000	Effects of adoption of Agenda Decision RM'000	As Restated RM'000
Cost of sales	(128,816)	1,625	(127,191)	(497,976)	3,744	(494,232)
Finance costs	(985)	4,917	3,932	(3,765)	(1,858)	(5,623)
Profit before taxation	6,448	6,542	12,990	20,069	1,886	21,955
Income tax expense	(2,256)	(41)	(2,297)	(8,914)	223	(8,691)
Net profit/(loss) for the financial period	4,192	6,501	10,693	11,155	2,109	13,264
Total comprehensive income/ (loss) for the financial period	6,306	6,501	12,807	9,699	2,109	11,808
Net profit/(loss) attributable to equity holders of the Company	4,245	6,501	10,746	10,792	2,109	12,901
Total comprehensive income/(loss) attributable to equity holders of the Company	6,283	6,501	12,784	9,444	2,109	11,553
Basic/diluted earnings per share (sen)	0.58	0.89	1.48	1.48	0.29	1.77



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INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2022

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

RESTATEMENT OF COMPARATIVE

At the end of the financial year ended 31 May 2022, the Group has further defined its rules and guidelines in respect of capitalization of the cost related to the acquisition and development of concession assets to be in line with IFRIC 12 Service Concession Arrangements and MFRS 138 Intangible Assets. The transactions were previously accounted for under Concession Assets which comprise structures, land and buildings, water treatment plants and equipment, reservoirs, dams, and distribution pipes operated and maintained by the Group under the Concession Agreements entered into by the Group.

The reclassification provides more reliable and relevant information on the Group’s financial position and financial performance.

The reclassification has been applied retrospectively in accordance with MFRS 108 Accounting policies, change in Accounting Estimates and Errors, and the impact on the condensed consolidated statement of financial position are summarised as follows:-

	31/5/2021			1/6/2020		
	As previously reported RM'000	Effects of reclassification RM'000	As Restated RM'000	As previously reported RM'000	Effects of reclassification RM'000	As Restated RM'000
ASSETS						
Non-current assets						
Concession assets	147,132	(35,639)	111,493	142,511	(37,612)	104,899
Intangible assets	-	35,639	35,639	-	37,612	37,612



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INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2022

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A3. AUDIT REPORT

The auditors' report on the Group's financial statements for the financial year ended 31 May 2021 was not subject to any audit qualification.

A4. SEASONAL OR CYCLICAL FACTORS

The operations of the Group are not significantly affected by any seasonal or cyclical factors.

A5. UNUSUAL SIGNIFICANT ITEMS

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group for the current quarter under review.

A6. CHANGES IN ESTIMATES

There were no major changes in estimates that have any material effect in the current quarter under review.

A7. DEBT AND EQUITY SECURITIES

There were no cancellations, repurchases, resale, and repayments of debt and equity securities for the current quarter under review. The Company's Employees' Share Options Scheme expired on 5 December 2021 and the remaining unexercised share options of 63,624,800 had lapsed.

A8. DIVIDEND PAID

There was no payment of dividend in the current quarter.



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INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2022

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A9. SEGMENTAL REPORTING

12 months ended 31 May 2022 (Current Financial Year)

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	319,858	304,903	27,232	-	651,993
Results					
Segment results	6,950	79,510	6,656	(9,202)	83,914
Finance costs	(1,393)	(10,488)	(1)	(550)	(12,432)
Share of results of joint ventures	(1,347)	-	-	-	(1,347)
Profit/(Loss) before tax	4,210	69,022	6,655	(9,752)	70,135
Income tax expense					(27,076)
Profit for the financial period					43,059

12 months ended 31 May 2021 (Previous Financial Year)

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Consolidated RM'000
(Restated) Revenue	365,983	183,138	25,647	-	574,768
Results					
Segment results	1,778	30,706	7,298	(12,505)	27,277
Finance costs	(1,970)	(3,368)	(55)	(230)	(5,623)
Share of results of joint ventures	301	-	-	-	301
Profit/(Loss) before tax	109	27,338	7,243	(12,735)	21,955
Income tax expense					(8,691)
Profit for the financial period					13,264

A10. CARRYING AMOUNT OF REVALUED ASSETS

The valuations of property, plant and equipment, and concession assets have been brought forward without amendment from the audited financial statements for the financial year ended 31 May 2021.



GADANG HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2022

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING

A11. SIGNIFICANT SUBSEQUENT EVENTS

There were no significant events subsequent to the end of the quarter under review.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter under review.

During the financial year, the following changes in composition were effected:-

(i) On 8 February 2022, the Company's indirect wholly-owned subsidiary, Yi Sheng Foundation Pte Ltd ("Yi Sheng") acquired 1 ordinary share representing 100% of the equity interest in Usaha Pesona Sdn Bhd ("Usaha Pesona") for a total purchase consideration of RM1. With this acquisition, Usaha Pesona became an indirect wholly-owned subsidiary of the Company. The intended principal activity of Usaha Pesona shall be contractor of bore pile works.

(ii) On 14 March 2022, Yi Sheng subscribed for 51% equity interest representing 1,530 ordinary shares in UA Foundation Pte Ltd ("UAF") for a total purchase consideration of SGD1,530. With this subscription, UAF became an indirect 51% subsidiary of the Company. The intended principal activity of UAF shall also be contractor of bore pile works.

A13. CHANGES IN CONTINGENT LIABILITIES

There are no contingent liabilities for the Group as of the date of this report.

A14. CAPITAL COMMITMENTS

There are no material capital commitments as of the date of this report.



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INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2022

PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. OPERATING SEGMENTS REVIEW

REVIEW OF PERFORMANCE AGAINST PREVIOUS YEAR CORRESPONDING PERIOD

During the current quarter, the Group recorded lower revenue of RM138.18 million compared to RM152.35 million in the preceding year's corresponding quarter. Profit before tax decreased to RM2.10 million compared to RM12.99 million in the preceding year's corresponding quarter mainly due to lower contribution from construction division.

For the current year to date, revenue increased to RM651.99 million compared to RM574.77 million in the preceding year to date. The profit before tax increased to RM70.14 million compared to RM21.96 million in the preceding year to date. The revenue and profit before tax were boosted by a non-recurring transaction and disposal of development lands as mentioned in section B1 – Property Division's operating segment review below.

Tabulated below is the unaudited various divisional contributions:-

INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
3 Months Ended 31/05/2022	3 Months Ended 31/05/2021	Variance %	12 Months Ended 31/05/2022	12 Months Ended 31/05/2021	Variance %
RM'000	RM'000	%	RM'000	RM'000	%
	(Restated)			(Restated)	

REVENUE

Construction Division	79,512	88,829	-10	319,858	365,983	-13
Property Division	51,716	56,781	-9	304,903	183,138	>100
Utility Division	6,949	6,739	3	27,232	25,647	6
Investment Holding	-	-	-	-	-	-
	<u>138,177</u>	<u>152,349</u>	<u>-9</u>	<u>651,993</u>	<u>574,768</u>	<u>13</u>

PROFIT/(LOSS) BEFORE TAX

Construction Division	(3,560)	1,227	>100	4,210	109	>100
Property Division	6,649	12,983	-49	69,022	27,338	>100
Utility Division	784	1,113	-30	6,655	7,243	-8
Investment Holding	(1,773)	(2,333)	-24	(9,752)	(12,735)	-23
	<u>2,100</u>	<u>12,990</u>	<u>>100</u>	<u>70,135</u>	<u>21,955</u>	<u>>100</u>

Construction Division

Revenue for the current quarter decreased to RM79.51 million compared to RM88.83 million in the preceding year's corresponding quarter. Loss before tax of RM3.56 million compared to profit before tax of RM1.23 million in the preceding year's corresponding quarter, was mainly due to the completion of major projects and lower profit margins for on-going projects due to higher costs incurred.

Revenue for the current year to date decreased to RM319.86 million compared to RM365.98 million in the preceding year to date, mainly due to the completion of certain projects. However, profit before tax increased to RM4.21 million compared to a RM0.11 million in the preceding year to date.



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B1. OPERATING SEGMENTS REVIEW (Continued)

Property Division

In the current quarter, revenue decreased to RM51.72 million compared to RM56.78 million in the preceding year's corresponding quarter. Profit before tax decreased to RM6.65 million compared to RM12.98 million in the preceding year's corresponding quarter.

Revenue for the current year to date increased to RM304.90 million compared to RM183.14 million in the preceding year to date. Profit before tax increased to RM69.02 million compared to RM27.34 million in the preceding year to date.

The sharp increase in revenue and profit before tax were mainly attributed to the following:-

- (i) Non-recurring revenue and profit before tax recognised in the second quarter upon fulfilment of the conditions precedent of the settlement agreement between Capital City Property Sdn Bhd and Achwell Property Sdn Bhd of RM68.15 million and RM40.99 million respectively.
- (ii) Disposal of a development land located at Taman Melawati, Kuala Lumpur for RM43.00 million and gains derived from the disposal of RM0.80 million as reported in the second quarter.
- (iii) Disposal of a development land located at Gasing Indah, Petaling Jaya for RM5.2 million and gains derived from the disposal of RM1.30 million in the current quarter.
- (iv) Better sales achieved and higher work progress for on-going development projects.

Utility Division

For the current quarter, revenue increased to RM6.95 million compared to RM6.74 million in the preceding year's corresponding quarter. However, profit before tax decreased to RM0.78 million compared to RM1.11 million in the preceding year's corresponding quarter.

Revenue for the current year to date increased to RM27.23 million compared to RM25.65 million in the preceding year to date. However, profit before tax decreased to RM6.66 million compared to RM7.24 million in the preceding year to date, due to higher operating costs and unfavorable foreign exchange translation effect in the current period.

B2. MATERIAL CHANGES IN CURRENT QUARTER'S RESULT COMPARED TO PRECEDING QUARTER

	Current Quarter	Preceding Quarter	
	31/05/2022	28/02/2022	
	RM'000	RM'000	Variance
			%
Revenue	138,177	119,515	16
Operating profit	7,688	15,659	-51
Profit before interest and tax	5,444	13,277	-59
Profit before tax	2,100	10,229	-79
Profit/(loss) after tax	(4,077)	6,356	-164
Profit/(loss) attributable to equity holders of the Company	<u>(4,128)</u>	<u>5,446</u>	-176



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B2. MATERIAL CHANGES IN CURRENT QUARTER'S RESULT COMPARED TO PRECEDING QUARTER (Continued)

The Group's revenue increased to RM138.17 million in the current quarter compared to RM119.52 million in the preceding quarter. Profit before tax decreased to RM2.10 million compared to RM10.23 million recorded in the preceding quarter, mainly due to the completion of major projects and lower profit margins for the on-going projects due to higher costs incurred.

B3. BUSINESS PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MAY 2023

The Government had on 15 July 2022 reported that it would be taking measures to save public expenditure by postponing or not proceeding with any project that has yet to commence. The said austerity drive would likely impact domestic demand and overall growth prospects over the medium term. Despite the foreseeable hurdles, the Group aims to continue pursuing all possible opportunities to replenish its order book, whilst continuously implementing cost control strategies.

The Construction Division will continue to focus on the timely execution and completion of its projects. It has an outstanding order book of RM1.05 billion, of which RM680 million of new projects were secured in July 2022.

Market sentiment for the property sector has seen a gradual recovery with the Property Division achieving sales of RM265 million for FY2022. With its wide array of mid-market products in strategic locations and its unbilled sales of RM215 million, the Property Division is expected to deliver a satisfactory performance for the coming financial year.

The Utility Division will continue to review investment opportunities to build up its concession asset base with recurring income streams to cushion against the cyclical nature of the construction segment.

The Group will continue to capitalise on the inherent strength with a proven track record in project implementation, prudent cash flow management, and cost control to deliver a sustainable medium to the long-term value proposition. Barring any further unforeseen circumstances, the Group is cautiously optimistic about registering positive growth for the financial year ending 2023.



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B4. PROFIT FORECAST AND PROFIT GUARANTEE

There is no profit forecast and profit guarantee provided by the Group and as such, this disclosure requirement is not applicable.

B5. TAXATION

Taxation comprises the following:

	3 Months Ended 31/05/2022 RM'000	12 Months Ended 31/05/2022 RM'000
Income tax expense:		
Malaysian income tax	(9,456)	(19,845)
Foreign income tax	(714)	(3,741)
 Deferred tax	 3,993	 (3,490)
	<hr/> (6,177)	<hr/> (27,076)

The Group's effective tax rate (excluding the results of joint ventures, which is equity accounted net of tax) for the current year to date was higher than the statutory tax rate mainly due to the non - recognition of deferred tax assets on unutilised tax losses of certain subsidiaries and certain expenses not deductible for tax purposes.

B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no pending corporate proposals.



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B7. GROUP BORROWINGS

The details of the Group borrowings are as follows:

	As at 31/05/2022 RM'000	As at 31/05/2021 RM'000
(a) (i) Short Term Borrowings		
Revolving credit	41,399	100,500
Banker's acceptance	996	751
Letter of credit	1,037	-
Bank overdraft	3,907	3,935
Term loans	35,170	43,221
Hire purchase payable	2,725	4,863
	<u>85,234</u>	<u>153,270</u>
(ii) Long Term Borrowings		
Term loans	203,584	250,912
Hire purchase payable	5,641	4,564
	<u>209,225</u>	<u>255,476</u>
Total Borrowings	<u>294,459</u>	<u>408,746</u>

(b) Foreign currency borrowings included in the above are as follows:

	As at 31/05/2022		As at 31/05/2021	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
US Dollar	-	-	128	529
Indonesian Rupiah	91,397,675	27,419	112,362,735	32,473
		<u>27,419</u>		<u>33,002</u>

Bank borrowings for the current year to date decreased to RM294.46 million compared to RM408.75 million at the beginning of the financial year. The decrease was mainly due to repayment in the current year.

B8. MATERIAL LITIGATION

As at 20 July 2022, being 7 days prior to the date of this announcement, there has been no material litigation pending of which the value exceeds 5% of the Group's net tangible assets.



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B9. DIVIDEND

The Board has proposed a first and final dividend of 0.7 sen per share in respect of the financial year ended 31 May 2022 for approval of the shareholders at the forthcoming Annual General Meeting. The entitlement date and the payment date of the proposal dividend shall be announced later.

B10. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share has been calculated by dividing the net profit/(loss) for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/05/2022	3 Months Ended 31/05/2021 (Restated)	12 Months Ended 31/05/2022	12 Months Ended 31/05/2021 (Restated)
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(4,128)	10,746	41,550	12,901
Weighted average number of ordinary shares in issue ('000)	728,061	728,061	728,061	728,061
Basic earnings per share (sen)	(0.57)	1.48	5.71	1.77



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B10. EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The diluted earnings per share has been calculated by dividing the net profit/(loss) for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares that would have been issued upon full conversion of the employee share option.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/05/2022	3 Months Ended 31/05/2021 (Restated)	12 Months Ended 31/05/2022	12 Months Ended 31/05/2021 (Restated)
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(4,128)	10,746	41,550	12,901
Weighted average number of ordinary shares in issue ('000)	728,061	728,061	728,061	728,061
Effect of dilution:				
Employee share option*	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	728,061	728,061	728,061	728,061
Diluted earnings per share (sen)	(0.57)	1.48	5.71	1.77

*The share options expired on 5 December 2021 and the remaining unexercised share options of 63,624,800 had lapsed.



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B11. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The cost of sales included the following charges, made during the financial year:

	3 Months Ended 31/05/2022 RM'000	12 Months Ended 31/05/2022 RM'000
Depreciation	2,025	7,094
Finance costs	99	937
Gain on disposal of:		
- property, plant and equipment	(5)	(55)
Rental of land and premises	(213)	(790)
	(213)	(790)

Total comprehensive income/(loss) for the financial year was derived after charging/(crediting) the following items:

	3 Months Ended 31/05/2022 RM'000	12 Months Ended 31/05/2022 RM'000
Accretion of interest on other receivables	-	(198)
Bad debts recovered	(28)	(29)
Bad debts written off	-	20
Depreciation	2,244	8,391
Fair value loss on quoted investments	719	1,618
Finance costs	3,344	12,432
Gain on disposal of:		
- property, plant and equipment	(1,466)	(4,207)
Impairment loss on:		
- goodwill	-	5,939
- trade and non-trade receivables	199	199
Income received from short term funds	(186)	(1,321)
Interest income	(387)	(1,750)
Net unrealised loss/(gain) on foreign exchange	(1,709)	(1,903)
Intangible assets written off	7	7
Property, plant and equipment written off	-	1
	-	1

Other than as disclosed above, the Group does not have any material items that were recognised as profit/(loss) in the Condensed Consolidated Statements of Comprehensive Income.