



GADANG HOLDINGS BERHAD

199301023376 (278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2024

(The figures are unaudited)

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 Months Ended 31/08/2024	3 Months Ended 31/08/2023	Variance	3 Months Ended 31/08/2024	3 Months Ended 31/08/2023	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	148,470	129,475	15	148,470	129,475	15
Cost of sales	(130,750)	(108,471)	21	(130,750)	(108,471)	21
Gross profit	17,720	21,004	-16	17,720	21,004	-16
Other income	3,235	4,336	-25	3,235	4,336	-25
Administrative expenses	(6,135)	(6,787)	-10	(6,135)	(6,787)	-10
Depreciation	(4,492)	(3,157)	42	(4,492)	(3,157)	42
Operating expenses	(3,805)	(3,168)	20	(3,805)	(3,168)	20
Other expenses	(2,975)	(741)	>100	(2,975)	(741)	>100
Reversal of impairment losses	3,622	-	>100	3,622	-	>100
Finance costs	(1,519)	(2,657)	-43	(1,519)	(2,657)	-43
Share of results of joint ventures	3,458	(20)	>100	3,458	(20)	>100
Profit before tax	9,109	8,810	3	9,109	8,810	3
Income tax expense	(3,427)	(3,324)	3	(3,427)	(3,324)	3
Net profit for the financial period	5,682	5,486	4	5,682	5,486	4
Other comprehensive income:						
Foreign currency translation	(2,068)	(911)	>100	(2,068)	(911)	>100
Total comprehensive loss for the financial period	3,614	4,575	-21	3,614	4,575	-21
Net profit attributable to:						
Equity holders of the Company	6,224	6,208	0	6,224	6,208	0
Non-controlling interests	(542)	(722)	-25	(542)	(722)	-25
	5,682	5,486	4	5,682	5,486	4
Total comprehensive loss attributable to:						
Equity holders of the Company	3,770	5,192	-27	3,770	5,192	-27
Non-controlling interests	(156)	(617)	-75	(156)	(617)	-75
	3,614	4,575	-21	3,614	4,575	-21
Earnings per share attributable to equity holders of the Company:						
- Basic (sen)	0.85	0.85	0	0.85	0.85	0
- Diluted (sen)	0.85	0.85	0	0.85	0.85	0

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2024.



GADANG HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2024

	Unaudited	Audited
	As At 31/08/2024 RM'000	As At 31/05/2024 RM'000
ASSETS		
Non-current assets		
Investment in joint ventures	566	-
Concession assets	145,922	147,429
Intangible assets	22,402	24,095
Property, plant and equipment	24,836	26,240
Right-of-use assets	4,865	4,911
Investment properties	15,307	15,567
Inventories	53,462	53,462
Trade and non-trade receivables	3,654	3,901
Other investments	989	809
Goodwill on consolidation	5,908	6,141
Deferred tax assets	21,790	21,837
	299,701	304,392
Current assets		
Inventories	536,777	535,265
Contract costs	7,220	5,568
Trade and non-trade receivables	101,472	114,061
Contract assets	272,945	250,552
Current tax assets	5,664	5,357
Short term funds	30,438	41,217
Deposits with licensed banks	43,463	45,983
Cash and bank balances	94,107	84,205
	1,092,086	1,082,208
Assets classified as held for sale	1,684	1,684
TOTAL ASSETS	1,393,471	1,388,284



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2024 (Continued)

	Unaudited As At 31/08/2024 RM'000	Audited As At 31/05/2024 RM'000
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Company		
Share Capital	389,521	389,521
Reserves	406,111	402,341
	795,632	791,862
Non-controlling interests	(8,791)	(8,635)
Total equity	786,841	783,227
Non-current liabilities		
Investment in joint ventures	-	3,731
Bank borrowings	59,976	59,826
Lease liabilities	244	256
Deferred tax liabilities	2,183	2,280
Defined benefit obligations	2,060	2,141
Non-trade payables	97,997	97,997
	162,460	166,231
Current liabilities		
Trade and non-trade payables	295,530	290,531
Contract liabilities	18,800	18,872
Bank borrowings	126,827	127,335
Lease liabilities	403	423
Current tax liabilities	2,610	1,665
	444,170	438,826
Total liabilities	606,630	605,057
TOTAL EQUITY AND LIABILITIES	1,393,471	1,388,284
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.09	1.09

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2024.



GADANG HOLDINGS BERHAD

199301023376 (278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2024 (The figures are unaudited)

	Share Capital 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 Jun 2024	389,521	1,347	(3,870)	404,864	791,862	(8,635)	783,227
Profit/(loss) after taxation for the financial period	-	-	-	6,224	6,224	(542)	5,682
Foreign currency translation differences	-	-	(2,454)	-	(2,454)	386	(2,068)
Total comprehensive income/(loss) for the financial period	-	-	(2,454)	6,224	3,770	(156)	3,614
At 31 Aug 2024	389,521	1,347	(6,324)	411,088	795,632	(8,791)	786,841
	Share Capital 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 Jun 2023	389,521	1,347	1,542	400,042	792,452	(5,438)	787,014
Profit/(loss) after taxation for the financial period	-	-	-	6,208	6,208	(722)	5,486
Foreign currency translation differences	-	-	(1,016)	-	(1,016)	105	(911)
Total comprehensive income/(loss) for the financial period	-	-	(1,016)	6,208	5,192	(617)	4,575
At 31 Aug 2023	389,521	1,347	526	406,250	797,644	(6,055)	791,589

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 2024.



GADANG HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2024

(The figures are unaudited)

	3 Months Ended 31/08/2024 RM'000	3 Months Ended 31/08/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax:	9,109	8,810
Adjustments for:		
Accretion of interest on trade and non-trade receivables	-	(1,721)
Depreciation of:		
- concession assets	2,199	792
- intangible assets	1,328	1,051
- investment properties	38	197
- property, plant and equipment	1,260	1,788
- right-of-use assets	13	14
Fair value (gain)/loss on quoted investments	(180)	(180)
Finance costs	2,343	2,779
Net gain on disposal of:		
- property, plant and equipment	(129)	(671)
- investment properties	(177)	-
Income received from short term funds	(18)	(21)
Decrease in liability for defined benefit obligations	-	11
Interest income	(530)	(549)
Net unrealised loss/(gain) on foreign exchange	2,931	748
Reversal of impairment loss on:		
- trade and non-trade receivables	(3,622)	(5)
- concession assets	-	(20)
- investment in joint venture	(510)	
Share of results of joint ventures	(3,458)	20
Operating profit before working capital changes	10,597	13,043
Changes in working capital:		
Contract assets	(22,391)	(1,077)
Contract liabilities	(72)	4,346
Contract costs	(1,652)	(29,290)
Inventories	(1,512)	1,415
Payables	4,997	2,831
Receivables	16,457	5,407
Cash generated from operations	6,424	(3,325)
Net income tax paid	(2,771)	(2,348)
Net Operating Cash Flows	3,653	(5,673)



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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2024 (Continued)

(The figures are unaudited)

	3 Months Ended 31/08/2024 RM'000	3 Months Ended 31/08/2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of:		
- concession assets	(5,407)	(550)
- intangible assets	-	(69)
- property, plant and equipment	(93)	(289)
Proceeds from disposal of:		
- property, plant and equipment	61	407
- investment properties	399	-
Income received from short term funds	18	21
Interest income	530	549
Net Investing Cash Flows	(4,492)	69
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of:		
- bank borrowings	20,228	18,292
- hire purchase	-	164
Finance costs	(2,343)	(2,779)
Repayment of:		
- bank borrowings	(18,081)	(17,737)
- hire purchase	(1,055)	(656)
Fixed deposits pledged as security values	(1,817)	(845)
Net Financing Cash Flows	(3,068)	(3,561)
Net change in cash and cash equivalents	(3,907)	(9,165)
Effect of exchange rate changes	(1,306)	(629)
Cash and cash equivalents at the beginning of the financial period	148,970	194,380
Cash and cash equivalents at the end of the financial period	143,757	184,586
Analysis of Cash and Cash Equivalents:-		
Cash and bank balances	94,107	116,412
Short term funds	30,438	54,371
Deposits with licensed banks	43,463	38,772
Bank overdrafts	-	(4,259)
	168,008	205,296
Less: Fixed deposits pledged as security values	(24,251)	(20,710)
Total	143,757	184,586

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2024.



GADANG HOLDINGS BERHAD

199301023376 (278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

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 2024. 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 2024.

A2. CHANGES IN ACCOUNTING POLICIES

- (i) 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 2024, except for the changes arising from the adoption of Amendments/Improvements to MFRS as follows:

Standard	Title
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of these Amendments/Improvements to MFRSs does not have any material impact on the financial statement of the Group.

- (ii) As of the date of this report, the following Amendments to Published Standards have been issued by the MASB but are not yet effective and have not been adopted early.

- (a) Effective for financial years beginning on or after 1 June 2025

Standard	Title
Amendments to MFRS 121	Lack of Exchangeability
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments
MFRS 14	Regulatory Deferral Accounts
MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures



GADANG HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

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

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

- (ii) As of the date of this report, the following Amendments to Published Standards have been issued by the MASB but are not yet effective and have not been adopted early. (Continued)
- (b) The effective date of these Amendments to Published Standards has been deferred and is yet to be announced

Standard	Title
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Based on the preliminary assessment of the effects of the above Amendments to Published Standards, no material impact is expected on the financial statements of the Group.

A3. AUDIT REPORT

The auditors' report on the Group's financial statements for the financial year ended 31 May 2024 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 the 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 had any material effect on the current quarter under review.

A7. DEBT AND EQUITY SECURITIES

There were no cancellations, repurchases, resales, or repayments of debt and equity securities for the current quarter under review.



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INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

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

A8. DIVIDEND PAID

There was no payment of dividends in the current quarter.

A9. SEGMENTAL REPORTING

3 Months ended 31 August 2024 (Current Financial Period)

	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	82,606	56,707	9,157	-	148,470
Results					
Segment results	(1,580)	7,830	1,796	(876)	7,170
Finance costs	(319)	(519)	(599)	(82)	(1,519)
Share of results of joint ventures	3,458	-	-	-	3,458
Profit/(Loss) before tax	1,559	7,311	1,197	(958)	9,109
Income tax expense					(3,427)
Profit for the financial period					5,682

3 Months ended 31 August 2023 (Previous Financial Period)

	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	52,198	68,955	8,322	-	129,475
Results					
Segment results	(753)	13,665	1,947	(3,372)	11,487
Finance costs	(412)	(1,784)	(329)	(132)	(2,657)
Share of results of joint ventures	(20)	-	-	-	(20)
(Loss)/Profit before tax	(1,185)	11,881	1,618	(3,504)	8,810
Income tax expense					(3,324)
Profit for the financial period					5,486

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 2024.



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INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

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, except for the following:-

- (a) On 21 August 2024, the Company announced that it proposed to undertake a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company (“Placement Shares”).

On 27 August 2024, the Company submitted the application to Bursa Securities for the listing and quotation of up to 72,806,109 Placement Shares, representing 10% of the total number of issued shares (excluding treasury shares, if any) of the Company on the Main Market of Bursa Securities. Bursa Malaysia Securities Berhad had vide its letter dated 3 September 2024, approved the listing of and quotation for up to 72,806,109 new ordinary shares to be issued.

On 19 September 2024, the Company announced that the issue price for the Placement Shares had been fixed at RM0.31 per Placement Share. The 72,806,100 Placement Shares were listed and quoted on the Main Market of Bursa Securities on 1 October 2024.

- (b) On 11 October 2024, the Company’s wholly-owned subsidiary, Gadang Construction Sdn Bhd entered into a Sale and Purchase Agreement with Opulent Abode Sdn Bhd to dispose of a parcel of leasehold land held under HS(D) 256293, PT 47369, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor, for a total consideration of RM65 million.

A12. CHANGES IN COMPOSITION OF THE GROUP

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

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 at the date of this report.

A15. PROVISION OF FINANCIAL ASSISTANCE

Pursuant to paragraph 8.23(1)(ii) of Bursa Malaysia Securities Berhad’s Listing Requirements, the financial assistance provided by the Group is as follows:

	As At 31/08/2024 RM'000
Purchase of construction materials in the ordinary course of business of the Company behalf of subcontractors	24,350

The financial assistance provided does not have any material effect on the earnings, net assets and liquidity of the Group.



GADANG HOLDINGS BERHAD

199301023376 (278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

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 a revenue of RM148.47 million, compared to RM129.48 million in the preceding year's corresponding quarter. The profit before tax increased to RM9.11 million compared to RM8.81 million in the preceding year's corresponding quarter, mainly due to the reversal of impairment losses on the amount owing by joint ventures.

Tabulated below are the unaudited various divisional contributions: -

	INDIVIDUAL QUARTER			CUMULATIVE YEAR		
	3 Months Ended 31/08/2024 RM'000	3 Months Ended 31/08/2023 RM'000	Variance %	3 Months Ended 31/08/2024 RM'000	3 Months Ended 31/08/2023 RM'000	Variance %
REVENUE						
Construction Division	82,606	52,198	58	82,606	52,198	58
Property Division	56,707	68,955	-18	56,707	68,955	-18
Utilities Division	9,157	8,322	10	9,157	8,322	10
Investment Holding	-	-	-	-	-	-
	<u>148,470</u>	<u>129,475</u>	<u>15</u>	<u>148,470</u>	<u>129,475</u>	<u>15</u>
PROFIT/(LOSS) BEFORE TAX						
Construction Division	1,559	(1,185)	>100	1,559	(1,185)	>100
Property Division	7,311	11,881	-38	7,311	11,881	-38
Utilities Division	1,197	1,618	-26	1,197	1,618	-26
Investment Holding	(958)	(3,504)	-73	(958)	(3,504)	-73
	<u>9,109</u>	<u>8,810</u>	<u>3</u>	<u>9,109</u>	<u>8,810</u>	<u>3</u>

Construction Division

Revenue for the current quarter increased to RM82.61 million, compared to RM52.20 million in the preceding year's corresponding quarter. The Division's profit before tax increased to RM1.56 million compared to a loss before tax of RM1.19 million in the preceding year's corresponding quarter, mainly due to higher work progress from certain on-going projects and the reversal of impairment losses on the amount owing by joint ventures.

Property Division

In the current quarter, revenue decreased to RM56.71 million compared to RM68.96 million in the preceding year's corresponding quarter. In line with that, profit before tax decreased to RM7.31 million compared to RM11.88 million in the preceding year's corresponding quarter. This was mainly due to higher work progress from the development projects and the accretion of interest on trade receivables in the preceding year's corresponding quarter.



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INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

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 (Continued)

Utilities Division

Revenue increased to RM9.16 million for the current quarter compared to RM8.32 million in the preceding year's corresponding quarter. The Division recorded a lower profit before tax of RM1.20 million compared to RM1.62 million in the preceding year's corresponding quarter, mainly due to higher operating costs for the 9MW mini-hydro power plant.

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

	Current Quarter 31/08/2024 RM'000	Preceding Quarter 31/5/2024 RM'000	Variance %
Revenue	148,470	150,517	-1
Operating profit	15,120	2,011	>100
Profit/(Loss) before interest and tax	10,628	(2,453)	>100
Profit/(Loss) before tax	9,109	(5,168)	>100
Profit/(Loss) after tax	5,682	(11,233)	>100
Profit/(Loss) attributable to equity holders of the Company	6,224	(9,369)	>100

The Group's revenue decreased to RM148.47 million in the current quarter compared to RM150.52 million in the preceding quarter. This decrease was mainly due to the completion of certain construction projects in the preceding quarter. However, the Group recorded a profit before tax of RM9.11 million in the current quarter compared to a loss before tax of RM5.17 million in the preceding quarter, mainly due to the reversal of impairment losses on the amount owing by joint ventures in the current quarter coupled with higher project operating costs from certain construction projects in the preceding quarter.



GADANG HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

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

B3. BUSINESS PROSPECT FOR THE FINANCIAL YEAR ENDING 31 MAY 2025

The Malaysian economy grew by 5.9% in the second quarter of 2024 (1Q 2024: 4.2%). The growth is driven by stronger domestic demand and further expansion in exports. Household spending increased amid sustained positive labour market conditions and larger policy support. Investment activity was underpinned by continued progress in multi-year projects and capacity expansion by firms. Overall, the economy is expected to expand closer to the upper end of the 4-5% range, but remains subject to risk from weaker-than-expected global growth, further escalation of geopolitical conflicts and lower-than-expected commodity production.

The Construction Division is actively seeking more opportunities in the infrastructure, renewable energy and data center space to grow its order book. At the same time, the Division will continue to focus on the timely completion of all on-going projects. As at the reporting date, the Division's existing outstanding order book stands at RM1.1 billion, which is able to sustain its operations for the next two years.

The Property Division successfully launched Laman Citra Phase 4 at Gelang Patah, Johor Bahru, with an estimated gross development value of RM260.0 million in the first quarter of FYE 2025. The Division's unbilled sales as at the reporting date increased to RM245.6 million, providing earnings visibility over the next few years for the Group.

The Utilities Division will continue to review investment opportunities to build up its concession asset base with recurring revenue streams. The construction of the 5.9MWac solar photovoltaic energy generating facility located in Tawau, Sabah, is in progress and will further strengthen revenue contribution to the Group in FYE 2025 once commissioned.

The Group will continue to monitor the business environment that it operates in, with periodic assessments to be carried out to ensure prudent financial management and efficient operating procedures in order to achieve sustainable growth moving forward. Additionally, the Group will continue to pursue additional contracts to replenish the construction order book and expand the landbanks to sustain the future earnings of the Group.



GADANG HOLDINGS BERHAD

199301023376 (278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

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

B4. PROFIT FORECAST AND PROFIT GUARANTEE

There are no profit forecasts or profit guarantees provided by the Group, and as such, this disclosure requirement is not applicable.

B5. TAXATION

Taxation comprises the following:

	3 Months Ended 31/08/2024 RM'000
Income tax expense:	
Malaysian income tax	(2,524)
Foreign income tax	(874)
Deferred tax	(29)
	<u>(3,427)</u>

The Group's effective tax rate (excluding the results of joint ventures, which are equity accounted net of tax) for the current quarter 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

On 21 August 2024, the Company announced that it proposed to undertake a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company ("Placement Shares").

On 27 August 2024, the Company submitted the application to Bursa Securities for the listing and quotation of up to 72,806,109 Placement Shares, representing 10% of the total number of issued shares (excluding treasury shares, if any) of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Bursa Securities had vide its letter dated 3 September 2024, approved the listing of and quotation for up to 72,806,109 new ordinary shares to be issued.

On 19 September 2024, the Company announced that the issue price for the Placement Shares had been fixed at RM0.31 per Placement Share. The 72,806,100 Placement Shares were listed and quoted on the Main Market of Bursa Securities on 1 October 2024.



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B7. GROUP BORROWINGS

The details of the Group borrowings are as follows:

	As at 31/08/2024 RM'000	As at 31/05/2024 RM'000
(a) (i) Short Term Borrowings		
Revolving credit	107,964	93,740
Banker's acceptance	-	210
Term loans	15,466	29,774
Hire purchase payable	3,397	3,611
	126,827	127,335
(ii) Long Term Borrowings		
Term loans	54,535	53,486
Hire purchase payable	5,441	6,340
	59,976	59,826
Total Borrowings	186,803	187,161

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

	As at 31/08/2024		As at 31/05/2024	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
Singapore Dollar	1,950	6,461	2,077	7,231
Indonesian Rupiah	82,456,326	23,005	84,954,246	24,637
		29,466		31,868

Bank borrowings for the current year to date decreased to RM186.80 million compared to RM187.16 million at the beginning of the financial year. The decrease was mainly due to repayment in the current period.



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B8. MATERIAL LITIGATION

On 6 September 2024, the Company announced that its wholly-owned subsidiary, Gadang Engineering (M) Sdn Bhd (“GESB”) (“2nd Defendant”), together with Usaha Pesona Sdn Bhd (“1st Defendant”), a wholly owned subsidiary of GESB, have been served with a Writ of Summon and Statement of Claim (“the Claim”) on 2 September 2024 and 3 September 2024 respectively by its subcontractor, JF Foundation (M) Sdn Bhd (“the Plaintiff”) for bored piling works carried out in relation to the project “Rapid Transit System Link Antara Johor Bahru and Singapura (“RTS Link Project”), Package 4 - Bukit Chagar Station & Operation Control Centre (OCC) & Package 6 - Depot and Power Supply System ”.

The Claim by JF Foundation (M) Sdn Bhd of RM9.77 million and other related costs related to disputes arising from the bored piling works. The Company has filed a Memorandum of Appearance on 13 September 2024 and has to file Defence on or before 18 October 2024. The case has been fixed for a Case Management on 19 November 2024 via eReview. The defendants are disputing the Claim and are seeking the necessary legal advice to contest the Claim. The Company does not foresee material financial or operational impact arising from the Claim pending the final decision from the court.

B9. DIVIDEND

No interim dividend has been declared for the current quarter under review.

B10. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share has been calculated by dividing the net (loss)/ profit 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 31/08/2024	3 Months Ended 31/08/2023	3 Months Ended 31/08/2024	3 Months Ended 31/08/2023
Net profit attributable to ordinary equity holders of the Company (RM'000)	6,224	6,208	6,224	6,208
Weighted average number of ordinary shares in issue ('000)	728,061	728,061	728,061	728,061
Basic earnings per share (sen)	0.85	0.85	0.85	0.85

(b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share, as there are no potential ordinary shares in issue at the end of the financial period.



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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 period:

	3 Months Ended 31/08/2024 RM'000
Depreciation	346
Finance costs	825
Rental of land and premises	269

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

	3 Months Ended 31/08/2024 RM'000
Depreciation	4,492
Fair value gain on quoted investments	(180)
Finance costs	1,518
Gain on disposal of:	
- property, plant and equipment	(129)
- investment properties	(177)
Income received from short term funds	(18)
Interest income	(530)
Net unrealised loss on foreign exchange	2,931
Reversal of impairment losses on:	
- trade and non-trade receivables	(3,622)
- investment in joint venture	(510)
Rental of office	(226)

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.