



## GADANG HOLDINGS BERHAD

199301023376 (278114-K)

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024

(The figures are unaudited)

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 Months	3 Months	Variance	6 Months	6 Months	Variance
	Ended	Ended		Ended	Ended	
30/11/2024	30/11/2023	%	30/11/2024	30/11/2023	%	
	RM'000	RM'000		RM'000	RM'000	
Revenue	177,782	162,443	9	326,252	291,918	12
Cost of sales	(153,153)	(141,462)	8	(283,903)	(249,933)	14
<b>Gross profit</b>	24,629	20,981	17	42,349	41,985	1
Other income	3,608	2,329	55	6,843	6,665	3
Administrative expenses	(6,322)	(6,866)	-8	(12,457)	(13,653)	-9
Depreciation	(3,521)	(4,678)	-25	(8,013)	(7,835)	2
Operating expenses	(5,368)	(4,012)	34	(9,173)	(7,180)	28
Other expenses	(69)	(791)	-91	(3,044)	(1,532)	99
Reversal of impairment losses, net	(3)	-	>100	3,619	-	>100
Finance costs	(2,122)	(3,183)	-33	(3,641)	(5,840)	-38
Share of results of joint ventures	(319)	(33)	>100	3,139	(53)	>100
<b>Profit before tax</b>	10,513	3,747	>100	19,622	12,557	56
Income tax expense	(4,531)	(3,564)	27	(7,958)	(6,888)	16
<b>Net profit for the financial period</b>	5,982	183	>100	11,664	5,669	>100
<b>Other comprehensive income:</b>						
Foreign currency translation	(91)	(710)	-87	(2,159)	(1,621)	33
<b>Total comprehensive income/(loss) for the financial period</b>	5,891	(527)	>100	9,505	4,048	>100
<b>Net profit attributable to:</b>						
Equity holders of the Company	7,148	1,401	>100	13,372	7,609	76
Non-controlling interests	(1,166)	(1,218)	-4	(1,708)	(1,940)	-12
	5,982	183	>100	11,664	5,669	>100
<b>Total comprehensive income/(loss) attributable to:</b>						
Equity holders of the Company	7,138	212	>100	10,908	5,404	>100
Non-controlling interests	(1,247)	(739)	69	(1,403)	(1,356)	3
	5,891	(527)	>100	9,505	4,048	>100
<b>Earnings per share attributable to equity holders of the Company:</b>						
- Basic (sen)	0.89	0.19	>100	1.67	1.05	60
- Diluted (sen)	0.89	0.19	>100	1.67	1.05	60

*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 30 NOVEMBER 2024

	Unaudited	Audited
	As At 30/11/2024 RM'000	As At 31/05/2024 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Concession assets	145,530	147,429
Intangible assets	21,998	24,095
Property, plant and equipment	23,125	26,240
Right-of-use assets	4,214	4,911
Investment properties	15,269	15,567
Inventories	53,462	53,462
Trade and non-trade receivables	3,863	3,901
Other investments	809	809
Goodwill on consolidation	5,929	6,141
Deferred tax assets	21,731	21,837
	295,930	304,392
<b>Current assets</b>		
Inventories	533,700	535,265
Contract costs	9,290	5,568
Trade and non-trade receivables	112,184	114,061
Contract assets	325,121	250,552
Current tax assets	6,933	5,357
Short term funds	51,276	41,217
Deposits with licensed banks	47,413	45,983
Cash and bank balances	94,566	84,205
	1,180,483	1,082,208
Assets classified as held for sale	-	1,684
<b>TOTAL ASSETS</b>	1,476,413	1,388,284



## GADANG HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2024 (Continued)

	Unaudited As At 30/11/2024 RM'000	Audited As At 31/05/2024 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity Holders of the Company</b>		
Share Capital	412,091	389,521
Reserves	413,249	402,341
	825,340	791,862
<b>Non-controlling interests</b>	(10,038)	(8,635)
<b>Total equity</b>	815,302	783,227
<b>Non-current liabilities</b>		
Investment in joint ventures	32	3,731
Bank borrowings	60,140	59,826
Lease liabilities	-	256
Deferred tax liabilities	2,087	2,280
Defined benefit obligations	2,067	2,141
Non-trade payables	98,595	97,997
	162,921	166,231
<b>Current liabilities</b>		
Trade and non-trade payables	278,542	290,531
Contract liabilities	18,800	18,872
Bank borrowings	195,469	127,335
Lease liabilities	-	423
Current tax liabilities	5,379	1,665
	498,190	438,826
<b>Total liabilities</b>	661,111	605,057
<b>TOTAL EQUITY AND LIABILITIES</b>	1,476,413	1,388,284
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.03	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 30 NOVEMBER 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
<b>At 1 Jun 2024</b>	389,521	1,347	(3,870)	404,864	<b>791,862</b>	(8,635)	<b>783,227</b>
Profit/(loss) after taxation for the financial period	-	-	-	13,372	<b>13,372</b>	(1,708)	<b>11,664</b>
Foreign currency translation differences	-	-	(2,464)	-	<b>(2,464)</b>	305	<b>(2,159)</b>
Total comprehensive income/(loss) for the financial period	-	-	(2,464)	13,372	<b>10,908</b>	(1,403)	<b>9,505</b>
Issue of ordinary shares	22,570	-	-	-	<b>22,570</b>	-	<b>22,570</b>
<b>At 30 Nov 2024</b>	412,091	1,347	(6,334)	418,236	<b>825,340</b>	(10,038)	<b>815,302</b>
	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
<b>At 1 Jun 2023</b>	389,521	1,347	1,542	400,042	<b>792,452</b>	(5,438)	<b>787,014</b>
Profit/(loss) after taxation for the financial period	-	-	-	7,609	<b>7,609</b>	(1,940)	<b>5,669</b>
Foreign currency translation differences	-	-	(2,205)	-	<b>(2,205)</b>	584	<b>(1,621)</b>
Total comprehensive income/(loss) for the financial period	-	-	(2,205)	7,609	<b>5,404</b>	(1,356)	<b>4,048</b>
<b>At 30 Nov 2023</b>	389,521	1,347	(663)	407,651	<b>797,856</b>	(6,794)	<b>791,062</b>

*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 30 NOVEMBER 2024

(The figures are unaudited)

	6 Months Ended 30/11/2024 RM'000	6 Months Ended 30/11/2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax:	19,622	12,557
Adjustments for:		
Accretion of interest on trade and non-trade receivables	(66)	(1,730)
Bad debts written off	3	-
Depreciation of:		
- concession assets	4,351	3,146
- intangible assets	1,834	1,759
- investment properties	76	394
- property, plant and equipment	2,401	3,397
- right-of-use assets	27	326
Fair value gain on quoted investments	-	(180)
Finance costs	5,435	6,229
Net (gain)/loss on disposal of:		
- property, plant and equipment	109	(839)
- investment properties	(177)	-
- assets held for sale	(1,200)	-
Income received from short term funds	(36)	(38)
Decrease in liability for defined benefit obligations	-	(17)
Interest income	(1,117)	(1,260)
Net unrealised loss on foreign exchange	2,765	1,114
Reversal of impairment on:		
- trade and non-trade receivables	(3,622)	(173)
- concession assets	-	(20)
- investment in joint venture	(510)	-
Share of results of joint ventures	(3,139)	53
Operating profit before working capital changes	26,756	24,718
Changes in working capital:		
Contract assets	(74,568)	20,782
Contract liabilities	(72)	(2,614)
Contract costs	(3,722)	(53,136)
Inventories	1,565	5,399
Payables	(11,709)	14,053
Receivables	5,599	446
Cash (used in)/generated from operations	(56,151)	9,648
Net income tax paid	(5,862)	(5,403)
<b>Net Operating Cash Flows</b>	(62,013)	4,245



## GADANG HOLDINGS BERHAD

199301023376 (278114-K)

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2024 (Continued)

(The figures are unaudited)

	6 Months Ended 30/11/2024 RM'000	6 Months Ended 30/11/2023 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of:		
- concession assets	(5,407)	(3,592)
- intangible assets	(134)	(143)
- property, plant and equipment	(328)	(560)
Proceeds from disposal of:		
- assets held for sale	3,200	-
- property, plant and equipment	785	575
- investment properties	399	-
Income received from short term funds	36	38
Interest income	1,117	1,260
<b>Net Investing Cash Flows</b>	(332)	(2,422)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of:		
- bank borrowings	146,878	42,339
- hire purchase	-	164
Finance costs	(5,435)	(6,229)
Proceeds from issuance of ordinary share raised from Private Placement	22,570	-
Repayment of:		
- bank borrowings	(75,501)	(43,742)
- hire purchase	(1,774)	(1,564)
Fixed deposits pledged as security values	(2,210)	(2,272)
<b>Net Financing Cash Flows</b>	84,528	(11,304)
Net change in cash and cash equivalents	22,183	(9,481)
Effect of exchange rate changes	(2,543)	(95)
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	168,610	184,804
<b>Analysis of Cash and Cash Equivalents:-</b>		
Cash and bank balances	94,566	122,120
Short term funds	51,276	48,965
Deposits with licensed banks	47,413	40,201
Bank overdrafts	-	(4,345)
	193,255	206,941
Less: Fixed deposits pledged as security values	(24,645)	(22,137)
Total	168,610	184,804

*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

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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:

<b>Standard</b>	<b>Title</b>
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:

<b>Standard</b>	<b>Effective Date</b>
Amendments to MFRS 121 Lack of Exchangeability	1 June 2025
Amendments to MFRS 9 and MFRS 7 Classification and Measurement of Financial Instruments	1 June 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 June 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 June 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 June 2027



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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 except for the issuance of 72,806,100 new ordinary shares of RM0.31 each pursuant to the private placement exercise which was completed on 1 October 2024.





## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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

##### 6 Months ended 30 November 2024 (Current Financial Period)

	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding RM'000	Consolidated RM'000
<b>Revenue</b>	186,182	122,502	17,568	-	326,252
<b>Results</b>					
Segment results	1,944	21,270	3,923	(7,013)	20,124
Finance costs	(588)	(1,738)	(1,170)	(145)	(3,641)
Share of results of joint ventures	3,139	-	-	-	3,139
Profit/(Loss) before tax	4,495	19,532	2,753	(7,158)	19,622
Income tax expense					(7,958)
Profit for the financial period					11,664

##### 6 Months ended 30 November 2023 (Previous Financial Period)

	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding RM'000	Consolidated RM'000
<b>Revenue</b>	121,193	152,924	17,801	-	291,918
<b>Results</b>					
Segment results	(11,521)	33,404	4,038	(7,471)	18,450
Finance costs	(828)	(3,825)	(942)	(245)	(5,840)
Share of results of joint ventures	(53)	-	-	-	(53)
(Loss)/Profit before tax	(12,402)	29,579	3,096	(7,716)	12,557
Income tax expense					(6,888)
Profit for the financial period					5,669

#### 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.



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2024

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

##### A11. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT EVENTS

There were no significant events subsequent to the end of the quarter under review, except for the following:-

- (a) 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.

The Proposed Disposal is yet to be completed pending the fulfillment of certain conditions precedent as stipulated in the SPA. Both parties have agreed to extend the Conditional Period for another three (3) months to 10 April 2025.

- (b) On 30 December 2024, RUSB - Hotrend Joint Consortium, a joint venture comprising Regional Utilities Sdn Bhd ("RUSB"), a wholly-owned subsidiary of Gadang, and Hotrend Corporation Sdn Bhd ("Hotrend"), had on even date accepted the Letter of Notification on Acceptance of Offer from the Energy Commission of Sabah for the development of a Large Scale Solar PV Plant of 15.0 MWa.c. in Tawau, Sabah ("the Project").

The Letter of Notification on Acceptance of Offer requires RUSB - Hotrend Joint Consortium to satisfy certain obligations, compliance, including submission and execution of the Project documents to confirm the acceptance.

##### 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:

	<b>As At 30/11/2024 RM'000</b>
Purchase of construction materials in the ordinary course of business of the Company behalf of subcontractors	22,593
Advances to sub-contractors, non-interest bearing	952
Provision of performance bond to third party to secure work	23,824
	<u>47,369</u>

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



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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 RM177.78 million, compared to RM162.44 million in the preceding year's corresponding quarter. The profit before tax increased to RM10.51 million compared to RM3.75 million in the preceding year's corresponding quarter.

Correspondingly, for the current year to date, revenue increased to RM326.25 million compared to RM291.92 million in the preceding year to date. The profit before tax increased to RM19.62 million compared to RM12.56 million in the preceding year to date, mainly due to a higher contribution from the Construction Division and the reversal of impairment losses on a joint ventures project.

Tabulated below are the unaudited various divisional contributions: -

	INDIVIDUAL QUARTER			CUMULATIVE YEAR		
	3 Months Ended 30/11/2024 RM'000	3 Months Ended 30/11/2023 RM'000	Variance %	6 Months Ended 30/11/2024 RM'000	6 Months Ended 30/11/2023 RM'000	Variance %
<b>REVENUE</b>						
Construction Division	103,576	68,995	50	186,182	121,193	54
Property Division	65,795	83,969	-22	122,502	152,924	-20
Utilities Division	8,411	9,479	-11	17,568	17,801	-1
Investment Holding	-	-	-	-	-	-
	<u>177,782</u>	<u>162,443</u>	<u>9</u>	<u>326,252</u>	<u>291,918</u>	<u>12</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>						
Construction Division	2,936	(11,217)	>100	4,495	(12,402)	>100
Property Division	12,221	17,698	-31	19,532	29,579	-34
Utilities Division	1,556	1,478	5	2,753	3,096	-11
Investment Holding	(6,200)	(4,212)	47	(7,158)	(7,716)	-7
	<u>10,513</u>	<u>3,747</u>	<u>&gt;100</u>	<u>19,622</u>	<u>12,557</u>	<u>56</u>

##### Construction Division

Revenue for the current quarter increased to RM103.58 million compared to RM69.00 million in the preceding year's corresponding quarter. The Division's profit before tax increased to RM2.94 million compared to a loss before tax of RM11.22 million in the preceding year's corresponding quarter.

Revenue for the current year to date increased to RM186.18 million compared to RM121.19 million in the preceding year to date. The Division recorded a higher profit before tax of RM4.50 million compared to a loss before tax of RM12.40 million in the preceding year to date, mainly due to higher work progress from certain on-going projects and the reversal of impairment losses from a joint venture project.



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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)

###### Property Division

In the current quarter, revenue decreased to RM65.80 million compared to RM83.97 million in the preceding year's corresponding quarter. In line with that, profit before tax decreased to RM12.22 million compared to RM17.70 million in the preceding year's corresponding quarter.

Revenue for the current year to date decreased to RM122.50 million compared to RM152.92 million in the preceding year to date. Correspondingly, profit before tax decreased to RM19.53 million compared to RM29.58 million in the preceding year to date. This was mainly due to lower work progress from the development projects in the current year to date and the accretion of interest on trade receivables in the preceding year to date.

###### Utilities Division

Revenue decreased to RM8.41 million for the current quarter compared to RM9.48 million in the preceding year's corresponding quarter. Profit before tax increased to RM1.56 million compared to RM1.48 million in the preceding year's corresponding quarter.

Revenue for the current year to date decreased marginally to RM17.57 million compared to RM17.80 million in the preceding year to date. Correspondingly, profit before tax decreased to RM2.75 million compared to RM3.10 million in the preceding year to date, 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 30/11/2024 RM'000	Preceding Quarter 31/8/2024 RM'000	Variance %
Revenue	177,782	148,470	20
Operating profit	16,156	15,120	7
Profit before interest and tax	12,635	10,628	19
Profit before tax	10,513	9,109	15
Profit after tax	5,982	5,682	5
Profit attributable to equity holders of the Company	7,148	6,224	15

The Group's revenue increased to RM177.78 million in the current quarter compared to RM148.47 million in the preceding quarter. This increase was mainly due to higher construction work progress and higher sales achieved for property development projects. Correspondingly, profit before tax increased to RM10.51 million in the current quarter compared to RM9.11 million in the preceding quarter, mainly due to higher contributions from the Construction and Property Divisions.



## **GADANG HOLDINGS BERHAD**

199301023376 (278114-K)

**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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 Construction Division has been actively seeking more opportunities in the infrastructure, renewable energy and data centre sectors to grow its order book. The Division will continue to focus on the timely completion of all its on-going projects. As at the reporting date, the Division's existing outstanding order book stands at RM1.0 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 RM329.0 million. With its on-going efforts to introduce attractive packages with the right product pricing, the Division is expected to deliver a satisfactory performance for the current financial year.

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 at its final stage of completion. Coupled with the recent successful bid to develop a 15MWac large-scale solar photovoltaic plant in Tawau, Sabah, both energy-generating facilities will further strengthen the revenue contribution to the Group in the future years upon commissioning.

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.



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#### 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:

	<b>3 Months Ended 30/11/2024 RM'000</b>	<b>6 Months Ended 30/11/2024 RM'000</b>
Income tax expense:		
Malaysian income tax	(3,845)	(6,369)
Foreign income tax	(818)	(1,692)
Deferred tax	132	103
	<u>(4,531)</u>	<u>(7,958)</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

There were no pending corporate proposals.



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#### B7. UTILISATION OF PROCEEDS

The status of utilisation of proceeds of RM22,569,891 raised from the Private Placement exercise is as follows:-

Purpose	Proceeds RM'000	Actual utilisation as at 30 November 2024 RM'000	Balance unutilised as at 30 November 2024 RM'000	Intended timeframe for utilisation from the date of listing
Construction projects expenditure	22,248	-	22,248	Within 24 months
Expenses relating to the Private Placement	322	(322)	-	Completed
	22,570	(322)	22,248	

#### B8. GROUP BORROWINGS

The details of the Group borrowings are as follows:

	As at 30/11/2024 RM'000	As at 31/05/2024 RM'000
(a) (i) Short Term Borrowings		
Revolving credit	134,060	93,740
Banker's acceptance	5,791	210
Term loans	52,349	29,774
Hire purchase payable	3,269	3,611
	195,469	127,335
(ii) Long Term Borrowings		
Term loans	55,345	53,486
Hire purchase payable	4,795	6,340
	60,140	59,826
Total Borrowings	255,609	187,161

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

	As at 30/11/2024		As at 31/05/2024	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
Singapore Dollar	1,628	5,398	2,077	7,231
Indonesian Rupiah	78,958,405	22,108	84,954,246	24,637
		27,506		31,868

Bank borrowings for the current year to date increased to RM255.61 million compared to RM187.16 million at the beginning of the financial year. The increase in the current period was mainly due to the drawdown of banking facilities for Kwasa Land and RTS projects.



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##### B9. 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 was fixed for a Case Management on 19 November 2024 via eReview and subsequently on 14 February 2025 for the parties to file interlocutory application. The defendants are disputing and contesting the Claim.

##### B10. DIVIDEND

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

##### B11. EARNINGS PER SHARE

###### (a) Basic earnings per share

The basic earnings per share has been calculated by dividing the net 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 30/11/2024	3 Months Ended 30/11/2023	6 Months Ended 30/11/2024	6 Months Ended 30/11/2023
Net profit attributable to ordinary equity holders of the Company (RM'000)	7,148	1,401	13,372	7,609
Weighted average number of ordinary shares in issue ('000)	800,867	728,061	800,867	728,061
Basic earnings per share (sen)	0.89	0.19	1.67	1.05

###### (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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#### B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	<b>3 Months Ended 30/11/2024 RM'000</b>	<b>6 Months Ended 30/11/2024 RM'000</b>
Depreciation	330	676
Finance costs	969	1,794
Rental of land and premises	290	559
	679	3,029

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

	<b>3 Months Ended 30/11/2024 RM'000</b>	<b>6 Months Ended 30/11/2024 RM'000</b>
Accretion of interest on trade receivables	(66)	(66)
Bad debts written off	3	3
Depreciation	3,521	8,013
Fair value loss on quoted investments	180	-
Finance costs	2,122	3,641
Loss/(gain) on disposal of:		
- property, plant and equipment	238	109
- assets held for sale	(1,200)	(1,200)
- investment properties	-	(177)
Income received from short term funds	(18)	(36)
Interest income	(587)	(1,117)
Net unrealised (gain)/loss on foreign exchange	(166)	2,765
Reversal of impairment losses on:		
- trade and non-trade receivables	-	(3,622)
- investment in joint venture	-	(510)
Rental of office	172	398
	(1,034)	(2,270)

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.