



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2015**

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 28/02/2015 RM'000	3 Months Ended 28/02/2014 RM'000	9 Months Ended 28/02/2015 RM'000	9 Months Ended 28/02/2014 RM'000
Revenue	169,689	147,478	417,643	401,952
Cost of sales	(131,931)	(110,630)	(333,855)	(332,781)
Gross profit	37,758	36,848	83,788	69,171
Other income	1,845	1,055	6,565	7,033
Administrative expenses	(5,493)	(4,648)	(13,577)	(11,343)
Other expenses	(6,548)	(5,112)	(22,739)	(13,246)
Finance costs	(707)	(179)	(1,986)	(1,074)
Profit before tax	26,855	27,964	52,051	50,541
Income tax expense	(10,373)	(9,189)	(17,238)	(15,372)
Net profit for the financial period	16,482	18,775	34,813	35,169
Other comprehensive income:				
Foreign currency translation	86	997	351	(2,851)
Total comprehensive income for the financial period	16,568	19,772	35,164	32,318
Net profit attributable to:				
Equity holders of the Company	16,168	19,227	34,216	34,634
Non-controlling interests	314	(452)	597	535
	16,482	18,775	34,813	35,169
Total comprehensive income attributable to:				
Equity holders of the Company	16,257	20,185	34,522	31,985
Non-controlling interests	311	(413)	642	333
	16,568	19,772	35,164	32,318
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	7.47	9.78	15.81	17.61

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2014.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2015

	UNAUDITED	AUDITED
	As At 28/02/2015 RM'000	As At 31/05/2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	93,823	61,075
Biological assets	12,241	11,771
Investment properties	19,167	19,361
Concession assets	44,592	28,033
Other investment	100	138
Goodwill	15,700	9,147
Deferred tax assets	2,263	2,262
Non-trade receivables	587	537
	<u>188,473</u>	<u>132,324</u>
Current assets		
Property development costs	195,878	137,660
Amount due from customers on contracts	31,562	43,964
Inventories	4,053	95
Trade and other receivables	134,829	116,646
Tax recoverable	11,379	4,626
Fixed deposits placed with licensed banks	130,179	71,650
Cash and bank balances	92,547	73,870
	<u>600,427</u>	<u>448,511</u>
TOTAL ASSETS	<u>788,900</u>	<u>580,835</u>
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Company		
Share Capital	216,369	196,691
Reserves	140,101	101,446
	<u>356,470</u>	<u>298,137</u>
Non-controlling interests	6,052	3,194
Total equity	<u>362,522</u>	<u>301,331</u>



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2015 (Continued)

	UNAUDITED	AUDITED
	As At 28/02/2015 RM'000	As At 31/05/2014 RM'000
Non-current liabilities		
Non-trade payables	2,058	9,514
Bank borrowings	105,430	65,727
Deferred tax liabilities	9,903	12,311
Defined benefit obligations	908	1,219
	118,299	88,771
Current liabilities		
Trade and other payables	141,463	106,448
Amount due to customers on contracts	69,088	3,976
Bank borrowings	89,058	78,343
Current tax liabilities	8,470	1,966
	308,079	190,733
Total liabilities	426,378	279,504
TOTAL EQUITY AND LIABILITIES	788,900	580,835
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.65	1.52

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2014.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2015

	Attributable to Equity Holders of the Company						Total	Non-controlling Interest	Total Equity
	Non-Distributable			Distributable					
	Share Capital	Warrant Reserve	Capital Reserve	Share Premium	Foreign Exchange Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
(UNAUDITED)									
At 1 June 2014	196,691	6,176	1,347	-	(4,870)	98,793	298,137	3,194	301,331
Total comprehensive income	-	-	-	-	306	34,216	34,522	642	35,164
Issuance of ordinary share capital	19,670	-	-	12,736	-	-	32,406	-	32,406
Dividends on ordinary shares	-	-	-	-	-	(8,654)	(8,654)	-	(8,654)
Issue of shares upon exercise of warrants	8	(3)	-	-	-	-	5	-	5
Changes in ownership interest in subsidiary (effects of change in stake)	-	-	-	-	-	-	-	(406)	(406)
Investment in subsidiary	-	-	-	-	54	-	54	2,622	2,676
At 28 February 2015	216,369	6,173	1,347	12,736	(4,510)	124,355	356,470	6,052	362,522
(AUDITED)									
At 1 June 2013	196,691	6,176	1,347	-	(1,915)	60,290	262,589	3,842	266,431
Total comprehensive income	-	-	-	-	(3,251)	43,225	39,974	926	40,900
Dividends on ordinary shares	-	-	-	-	-	(4,426)	(4,426)	-	(4,426)
Disposal of investment in subsidiaries	-	-	-	-	296	(296)	-	(1,574)	(1,574)
At 31 May 2014	196,691	6,176	1,347	-	(4,870)	98,793	298,137	3,194	301,331

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 2014.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2015**

	UNAUDITED 9 Months Ended 28/02/2015 RM'000	UNAUDITED 9 Months Ended 28/02/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	52,051	50,541
Adjustments for:		
Amortisation of biological asset	283	241
Bad debts written off	-	505
Decrease in liability for defined benefit obligations	(311)	(122)
Depreciation of concession assets	1,797	1,120
Depreciation of investment properties	193	208
Depreciation of property, plant and equipment	12,472	2,050
Finance costs	4,775	1,074
Gain on bargain purchase	(206)	-
Gain on disposal of investment in subsidiaries	-	(519)
Gain on disposal of property, plant and equipment	(805)	(86)
Impairment loss on goodwill	2	-
Interest income	(3,654)	(2,278)
Inventories written off	-	8
Loss on disposal of inventories	-	23
Property, plant and equipment written off	2	154
Unrealised loss on foreign exchange	764	-
Recovery from provision of doubtful debts	(273)	(1,899)
Reversal of impairment losses on assets held for sale	-	(554)
Operating profit before working capital changes	67,090	50,466
Changes in working capital:		
Property development costs	(58,218)	6,099
Biological assets	(752)	(1,095)
Amount due from/(to) customers on contracts	77,514	13,790
Inventories	(1,867)	805
Receivables	(17,960)	(52,467)
Payables	23,965	(21,568)
Income tax paid	(19,897)	(7,302)
Net Operating Cash Flows	69,875	(11,272)



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2015 (Continued)

	UNAUDITED 9 Months Ended 28/02/2015 RM'000	UNAUDITED 9 Months Ended 28/02/2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,181)	(4,927)
Purchase of concession assets	(3,663)	(179)
Purchase of investment properties	-	(147)
Investment in subsidiaries	(14,719)	-
Proceeds from disposal of concession asset	-	72
Proceeds from disposal of assets held for sale	-	1,865
Proceeds from disposal of inventories	-	1
Proceeds from disposal of other investment	38	-
Proceeds from disposal of property, plant and equipment	896	264
Interest received	3,654	2,278
Net Investing Cash Flows	<u>(23,975)</u>	<u>(773)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	85,232	49,342
Finance costs	(4,775)	(1,074)
Proceeds from issuance of ordinary share capital	32,406	-
Proceeds from issuance of shares upon exercise of warrants	6	-
Repayment of bank borrowings	(65,082)	(2,788)
Fixed deposits pledged as security	(10,005)	(18,108)
Repayment of hire purchase liabilities	(5,576)	(3,396)
Dividends paid to shareholders of the Company	(8,655)	(4,426)
Net Financing Cash Flows	<u>23,551</u>	<u>19,550</u>
Net change in cash and cash equivalents	69,451	7,505
Effect of exchange rate changes	(869)	(694)
Cash and cash equivalents at the beginning of the financial period	76,154	95,351
Cash and cash equivalents at the end of the financial period	<u>144,736</u>	<u>102,162</u>
Analysis of Cash and Cash Equivalents		
Cash and bank balances	92,547	90,096
Fixed deposits placed with licensed banks	130,179	69,641
Bank overdrafts	(4,690)	-
	<u>218,036</u>	<u>159,737</u>
Less: Fixed deposits pledged as security	(73,300)	(57,575)
Total	<u>144,736</u>	<u>102,162</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2014.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2015

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

A1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134 - Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 May 2014. These 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 2014.

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 financial year ended 31 May 2014, except for the changes arising from the adoption of new Financial Reporting Standards ("FRSs"), amendments/improvements to FRSs and IC Interpretations ("IC Int") that are effective for financial period beginning 1 June 2014 as follows:

New FRSs

FRS 14 Regulatory Deferral Accounts

Amendments/Improvements to FRSs

FRS 2	Share-based Payment [Annual Improvements to FRSs 2010-2012 Cycle]
FRS 3	Business Combinations [Annual Improvements to FRSs 2010-2012 Cycle and 2011-2013 Cycle]
FRS 5	Non-current Assets Held for Sale and Discontinued Operations [Annual Improvements to FRSs 2012-2014 Cycle]
FRS 7	Financial Instruments: Disclosures [Mandatory Effective Date and Transition Disclosures]
FRS 7	Financial Instruments: Disclosures [Annual Improvements to FRSs 2012-2014 Cycle]
FRS 8	Operating Segments [Annual Improvements to FRSs 2010-2012 Cycle]
FRS 9	Financial Instruments [IFRS 9 issued by IASB in July 2014]
FRS 10	Consolidated Financial Statements: Investment Entities
FRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
FRS 11	Joint Arrangements: Accounting for Acquisitions of Interest in Joint Operations
FRS 12	Disclosure of Interests in Other Entities: Investment Entities
FRS 13	Fair Value Measurement [Annual Improvements to FRSs 2011-2013 Cycle]
FRS 116	Property, Plant and Equipment [Annual Improvements to FRSs 2010-2012 Cycle]
FRS 116	Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation and Amortisation
FRS 119	Employee Benefits: Defined Benefits Plans [Employee Contributions]
FRS 119	Employee Benefits: [Annual Improvements to FRSs 2012-2014 Cycle]
FRS 124	Related Party Disclosures [Annual Improvements to FRS124]
FRS 127	Separate Financial Statements: Investment Entities and Equity Method in Separate Financial Statements
FRS 128	Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2015

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

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

Amendments/Improvements to FRSs (Continued)

FRS 134	Interim Financial Reporting [Annual Improvements to FRSs 2012-2014 Cycle]
FRS 138	Intangible Assets [Annual Improvements to FRSs 2010-2012 Cycle]
FRS 138	Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation
FRS 140	Investment Property [Annual Improvements to FRSs 2011-2013 Cycle]

IC Int

IC Int 21	Levies
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The adoption of these new FRSs, amendments/improvements to FRSs and IC Int do not have a material impact on the financial statements of the Group.

Malaysian Financial Reporting Standards ("MFRS")

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities").

Based on the MASB announcement on 30 June 2012, Transitioning Entities will be allowed to defer the adoption of the new MFRS Framework from the previous adoption date of 1 January 2013 to 1 January 2014. Consequently, the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

However, on 7 August 2013, MASB extended the transitional period for another year, such as the adoption of the MFRS Framework by transitioning entities will be mandatory for annual period beginning on or after 1 January 2015. Thereafter, on 2 September 2014, MASB revised the transition annual period beginning on or after 1 January 2015 to 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its financial statements for the financial year ending 31 May 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made retrospectively against opening retained profits.

The Group has yet to complete its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these interim financial statements for the financial year ending 31 May 2015 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 May 2018.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2015

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

A3. AUDIT REPORT

The auditors' report on the Group's annual financial statements for the financial year ended 31 May 2014 was not subject to any audit qualification.

A4. SEASONAL OR CYCLICAL FACTORS

The operations of the Group were not significantly affected by any seasonal or cyclical factors during the financial period under review.

A5. UNUSUAL SIGNIFICANT ITEMS

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

A6. CHANGES IN ESTIMATES

There were no major changes in estimates that have a material effect in the current quarter.

A7. DEBT AND EQUITY SECURITIES

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review, except for the issuance of:-

- (a) 8,325 ordinary shares of RM1.00 each pursuant to the exercise of Warrants 2010/2015 at an exercise price of RM1 per share on 19 June 2014; and
- (b) 19,669,900 ordinary shares of RM1.00 each pursuant to the private placement exercise which was completed on 4 July 2014.

A8. DIVIDEND PAID

At the Company's Annual General Meeting held on 19 November 2014, the shareholders of the Company approved a first and final single tier dividend of 4 sen per share in respect of the financial year ended 31 May 2014. The Company paid this first and final dividend on 23 December 2014.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2015

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

A9. SEGMENTAL REPORTING

9 months ended 28 February 2015 (Current Financial Period)

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Plantation Division RM'000	Consolidated RM'000
28 February 2015						
Revenue	318,204	86,074	12,518	-	847	417,643
Results						
Segment results	26,763	30,178	2,412	(3,920)	(1,396)	54,037
Finance costs	(671)	(1,237)	(60)	-	(18)	(1,986)
Profit /(Loss) before tax	26,092	28,941	2,352	(3,920)	(1,414)	52,051
Income tax expense						(17,238)
Profit for the year						34,813

9 months ended 28 February 2014 (Previous Financial Period)

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Plantation Division RM'000	Consolidated RM'000
28 February 2014						
Revenue	317,325	73,288	10,859	-	480	401,952
Results						
Segment results	25,102	26,087	4,518	(2,522)	(1,570)	51,615
Finance costs	(693)	(262)	(98)	-	(21)	(1,074)
Profit /(Loss) before tax	24,409	25,825	4,420	(2,522)	(1,591)	50,541
Income tax expense						(15,372)
Profit for the year						35,169

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 2014.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2015

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

A11. SIGNIFICANT SUBSEQUENT EVENTS

On 30 January 2015, Crimson Villa Sdn Bhd ("Crimson Villa"), an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement with Sementar Properties Sdn Bhd for the acquisition by Crimson Villa of a parcel of freehold land held under Geran 271958, Lot 20504, Mukim Semenyih, Daerah Ulu Langat, Selangor measuring approximately 62.84 acres for a purchase consideration of approximately RM98.5 million to be satisfied in full via cash ("Proposed Acquisition").

On 23 April 2015, the shareholders of the Company approved the resolution in relation to the Proposed Acquisition tabled at the Extraordinary General Meeting held on 23 April 2014.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 28 February 2015 other than the following developments:-

- (i) On 29 October 2013, the Company's indirect wholly-owned subsidiary, Asian Utilities Pte Ltd entered into a Sale and Purchase of Shares Agreement with Angga Panji Kesuma and Aprian Eka Rahadi to acquire their respective shares amounting to 6,000 shares of nominal value Indonesian Rupiah (IDR) 1,000,000 each representing 80% of the total issued and paid-up share capital of PT. Hidronusa Rawan Energi ("PTHRE") for a purchase consideration of IDR10.80 billion (equivalent to approximately RM3.06 million).

The subscription of shares in PTHRE was completed on 12 December 2014. With the completion, PTHRE became an indirect subsidiary of the Company.

A13. CHANGES IN CONTINGENT LIABILITIES

Corporate guarantees given by the Company to trade suppliers and various financial institutions for credit and hire purchase facilities granted to subsidiary companies are as follows:

	RM'000
As at 1 December 2014	234,775
Decrease during the period	(23,752)
As at 28 February 2015	<u>211,023</u>

A14. CAPITAL COMMITMENTS

	As At 28/02/2015 RM'000
Approved and not contracted for	
- Oil palm plantations development	4,288
	<u>4,288</u>



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2015

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

For the current quarter, the Group posted revenue of RM169.70 million, an increase of 15.06% over the corresponding quarter of the preceding year. The Group's profit before tax decreased by 3.97% to RM26.86 million as compared to the corresponding quarter of the preceding year.

For the current year to date, the Group achieved revenue of RM417.64 million, an increase of 3.90% over the preceding year to date. The Group's profit before tax increased by 2.99% to RM52.05 million compared to the preceding year to date. The increase in profit before tax was a result of better contributions from construction and property activities.

Further analysis of the divisional performances is as follows:

UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
3 Months Ended 28/02/2015 RM'000	3 Months Ended 28/02/2014 RM'000	9 Months Ended 28/02/2015 RM'000	9 Months Ended 28/02/2014 RM'000

REVENUE

Construction Division	120,912	110,300	318,204	317,325
Property Division	43,619	34,235	86,074	73,288
Utility Division	4,903	2,754	12,518	10,859
Plantation Division	255	189	847	480
Investment Holding	-	-	-	-
	<u>169,689</u>	<u>147,478</u>	<u>417,643</u>	<u>401,952</u>

PROFIT/(LOSS) BEFORE TAX

Construction Division	9,017	12,334	26,092	24,409
Property Division	18,697	17,067	28,941	25,825
Utility Division	777	981	2,352	4,420
Plantation Division	(456)	(524)	(1,414)	(1,591)
Investment Holding	(1,180)	(1,894)	(3,920)	(2,522)
	<u>26,855</u>	<u>27,964</u>	<u>52,051</u>	<u>50,541</u>

Construction Division

Revenue for the current quarter increased to RM120.91 million over the corresponding quarter of the preceding year as a result of improved construction progress. However, profit before tax decreased by 26.89% to RM9.02 million mainly due to additional cost for completed projects and increase in operating expenses arising from tax penalty.

Revenue for the current year to date increased slightly to RM318.20 million as compared to RM317.33 million recorded in the preceding year to date. Profit before tax increased to RM26.09 million in the current year to date as a result of improved profit margins achieved for various projects.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2015

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

Revenue for the current quarter of RM43.62 million and year to date of RM86.07 million increased by 27.41% and 17.45% respectively as compared to the previous year corresponding period. The profit before tax for the current quarter and year to date increased to RM18.70 million and RM28.94 million respectively. This was mainly due to the changes in accounting estimates for revenue recognition treatment for Capital City Project.

Utility Division

Revenue for the current quarter of RM4.90 million and year to date of RM12.52 million increased by 78.03% and 15.28% respectively as compared to the corresponding period of the preceding year mainly due to new acquisition of indirect subsidiary PT Dewata Bangun Tirta on 5 November 2014.

However, profit before tax for the current quarter and current year to date decreased to RM0.78 million and RM2.35 million respectively as compared to the corresponding period of the preceding year. This was mainly due to the disposal of indirect subsidiary PT Sarana Tirta Rejeki on 21 November 2013, pre-operating loss incurred by newly acquired indirect subsidiary PT Ikhwan Mega Power and weakening of Indonesia Rupiah against Ringgit Malaysia, which is the Group's functional currency.

Plantation Division

Revenue for the current quarter and year to date increased to RM0.26 million and RM0.85 million respectively as compared to the corresponding period of the preceding year mainly due to higher harvesting activities.

In line with this, loss before tax for the current quarter and year to date decreased to RM0.46 million and RM1.41 million respectively as compared to the corresponding period of the preceding year.

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

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	3 Months	3 Months	3 Months	3 Months
	Ended	Ended	Ended	Ended
	28/02/2015	30/11/2014	28/02/2015	30/11/2014
	RM'000	RM'000	RM'000	RM'000
	REVENUE		PROFIT/(LOSS) BEFORE TAX	
Construction Division	120,912	88,229	9,017	6,758
Property Division	43,619	21,918	18,697	6,538
Utility Division	4,903	4,138	777	1,041
Plantation Division	255	311	(456)	(421)
Investment Holding	-	-	(1,180)	(1,428)
	169,689	114,596	26,855	12,488



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2015

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

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

The Group recorded higher revenue of RM169.69 million for the current quarter as compared to RM114.60 million in preceding quarter mainly due to higher construction and property activities as well as the new acquisition of PT Dewata Bangun Tirta as highlighted in item B1 above.

In line with the above, the Group's profit before tax increased from RM12.49 million in preceding quarter to RM26.86 for the current quarter.

B3. BUSINESS PROSPECTS

The Board expects the performance for the current financial year to be better than that achieved in the financial year ended 31 May 2014 due to:-

- the strong earnings stream from the on-going construction projects; and
- the continuous sales activities generated by the flagship projects of the property division

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT AND SHORTFALL IN PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION

Taxation comprises the following:

	3 Months Ended 28/02/2015 RM'000	9 Months Ended 28/02/2015 RM'000
Income tax expense:		
Malaysian income tax	(12,350)	(18,638)
Foreign income tax	(266)	(1,010)
Deferred tax	2,243	2,410
	<u>(10,373)</u>	<u>(17,238)</u>

The effective tax rate for the Group for the current financial period was higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2015

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

B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no pending corporate proposals.

B7. UTILISATION OF PROCEEDS

The status of the utilisation of proceeds of RM33,045,432 raised from the Private Placement is as follows:-

Purpose	Proposed utilisation	Actual utilisation as at 28 February 2015	Balance unutilised as at 28 February 2015	Intended timeframe for utilisation from the date of listing
	RM'000	RM'000	RM'000	
Investments in Utility	27,295	(11,502)	15,793	Within 24 months
Investments in Plantation	5,000	(1,600)	3,400	Within 24 months
Expenses relating to the Private Placement	750	(750)*	-	N/A
	33,045	(13,852)	19,193	

*Note: Actual utilisation for expenses relating to the Private Placement is RM0.64 million, the balance of RM0.11 million has been used for the working capital of the Group in its existing business.

B8. GROUP BORROWINGS

The details of the Group borrowings are as follows:

	As at 28/02/2015		
	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	89,058	-	89,058
Long term borrowings	105,430	-	105,430
	<u>194,488</u>	<u>-</u>	<u>194,488</u>

Borrowings denominated in foreign currency:

	Exchange Rate		
	IDR'000	IDR100	RM'000
Indonesian Rupiah (IDR)	569,915	0.0279	159



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2015

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

B9. MATERIAL LITIGATION

As at 16 April 2015, being 7 days prior to the date of this report, there has been no material litigation pending of which the value exceeds 5% of the Group's net tangible assets.

B10. DIVIDEND

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

B11. EARNINGS PER SHARE

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 number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 28/02/2015	3 Months Ended 28/02/2014	9 Months Ended 28/02/2015	9 Months Ended 28/02/2014
Net profit attributable to ordinary equity holders of the Company (RM'000)	16,168	19,227	34,216	34,634
Number of ordinary shares in issue ('000)	216,369	196,691	216,369	196,691
Basic earnings per share (sen)	<u>7.47</u>	<u>9.78</u>	<u>15.81</u>	<u>17.61</u>



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2015

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

B12. DISCLOSURE OF REALISED AND UNREALISED PROFITS

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Securities”) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profit or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group as at 28 February 2015, into realised and unrealised profits, pursuant to the directive, is as follows:

	As at 28/02/2015 RM'000	As at 28/02/2014 RM'000
Total retained profits of the Group		
- Realised	131,994	60,600
- Unrealised	(7,639)	10,375
Total Group's retained profits as per consolidated account	<u>124,355</u>	<u>70,975</u>

The determination of realised and unrealised profits is compiled based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements as stipulated in the directive of Bursa Securities and should not be applied for any other purposes.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2015

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

B13. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	3 Months Ended 28/02/2015 RM'000	9 Months Ended 28/02/2015 RM'000
Depreciation and amortisation	6,284	14,745
Finance costs	1,633	4,775
Gain on bargain purchase	-	(206)
Gain on disposal of property, plant and equipment	(209)	(805)
Impairment losses on goodwill	-	2
Impairment losses on tax recoverable	(307)	-
Interest income	(1,548)	(3,654)
Property, plant and equipment written off	-	2
Recovery from provision of doubtful debts	-	(273)
Unrealised loss on foreign exchange	(62)	764

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

BY ORDER OF THE BOARD
Tan Seok Chung
Company Secretary
23 April 2015