



**GADANG HOLDINGS BERHAD**  
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2014**

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 30/11/2014 RM'000	3 Months Ended 30/11/2013 RM'000	6 Months Ended 30/11/2014 RM'000	6 Months Ended 30/11/2013 RM'000
Revenue	114,596	141,023	247,954	254,474
Cost of sales	(93,492)	(125,144)	(201,924)	(222,151)
<b>Gross profit</b>	<b>21,104</b>	<b>15,879</b>	<b>46,030</b>	<b>32,323</b>
Other income	2,711	4,024	4,719	5,978
Administrative expenses	(3,357)	(3,100)	(8,085)	(6,695)
Other expenses	(7,213)	(3,760)	(16,189)	(8,134)
Finance costs	(757)	(363)	(1,279)	(895)
<b>Profit before tax</b>	<b>12,488</b>	<b>12,680</b>	<b>25,196</b>	<b>22,577</b>
Income tax expense	(3,799)	(3,955)	(6,865)	(6,183)
<b>Net profit for the financial period</b>	<b>8,689</b>	<b>8,725</b>	<b>18,331</b>	<b>16,394</b>
<b>Other comprehensive income:</b>				
Foreign currency translation	652	(4,547)	265	(3,848)
<b>Total comprehensive income for the financial period</b>	<b>9,341</b>	<b>4,178</b>	<b>18,596</b>	<b>12,546</b>
<b>Net profit attributable to:</b>				
Equity holders of the Company	8,511	8,270	18,048	15,407
Non-controlling interests	178	455	283	987
	<b>8,689</b>	<b>8,725</b>	<b>18,331</b>	<b>16,394</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	9,110	3,889	18,266	11,800
Non-controlling interests	231	289	330	746
	<b>9,341</b>	<b>4,178</b>	<b>18,596</b>	<b>12,546</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic (sen)	3.93	4.20	8.34	7.83

*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 30 NOVEMBER 2014**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 30/11/2014 RM'000</b>	<b>As At 31/05/2014 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	91,342	61,075
Biological assets	12,121	11,771
Investment properties	19,275	19,361
Concession assets	41,908	28,033
Other investment	100	138
Goodwill	12,873	9,147
Deferred tax assets	2,263	2,262
Non-trade receivables	572	537
	<u>180,454</u>	<u>132,324</u>
<b>Current assets</b>		
Property development costs	176,002	137,660
Amount due from customers on contracts	7,849	43,964
Inventories	4,458	95
Trade and other receivables	113,997	116,646
Tax recoverable	7,377	4,626
Fixed deposits placed with licensed banks	151,038	71,650
Cash and bank balances	76,874	73,870
	<u>537,595</u>	<u>448,511</u>
<b>TOTAL ASSETS</b>	<u><b>718,049</b></u>	<u><b>580,835</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity Holders of the Company</b>		
Share Capital	216,369	196,691
Reserves	123,891	101,446
	<u>340,260</u>	<u>298,137</u>
<b>Non-controlling interests</b>	<u>3,965</u>	<u>3,194</u>
<b>Total equity</b>	<u><b>344,225</b></u>	<u><b>301,331</b></u>



**GADANG HOLDINGS BERHAD**  
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 NOVEMBER 2014 (Continued)**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 30/11/2014 RM'000</b>	<b>As At 31/05/2014 RM'000</b>
<b>Non-current liabilities</b>		
Non-trade payables	2,059	9,514
Bank borrowings	111,281	65,727
Deferred tax liabilities	12,145	12,311
Defined benefit obligations	897	1,219
	<u>126,382</u>	<u>88,771</u>
<b>Current liabilities</b>		
Trade and other payables	121,334	106,448
Amount due to customers on contracts	41,258	3,976
Bank borrowings	83,151	78,343
Current tax liabilities	1,699	1,966
	<u>247,442</u>	<u>190,733</u>
<b>Total liabilities</b>	<u>373,824</u>	<u>279,504</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>718,049</u>	<u>580,835</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.57	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 30 NOVEMBER 2014

	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	
<b>(UNAUDITED)</b>									
<b>At 1 June 2014</b>	196,691	6,176	1,347	-	(4,870)	98,793	<b>298,137</b>	3,194	<b>301,331</b>
Total comprehensive income	-	-	-	-	218	18,048	<b>18,266</b>	330	<b>18,596</b>
Issuance of ordinary share capital	19,670	-	-	12,736	-	-	<b>32,406</b>	-	<b>32,406</b>
Dividends on ordinary shares	-	-	-	-	-	(8,654)	<b>(8,654)</b>	-	<b>(8,654)</b>
Issue of shares upon exercise of warrants	8	(3)	-	-	-	-	<b>5</b>	-	<b>5</b>
Changes in ownership interest in subsidiary (effects of change in stake)	-	-	-	-	-	-	<b>-</b>	(406)	<b>(406)</b>
Investment in subsidiary	-	-	-	-	100	-	<b>100</b>	847	<b>947</b>
<b>At 30 November 2014</b>	<b>216,369</b>	<b>6,173</b>	<b>1,347</b>	<b>12,736</b>	<b>(4,552)</b>	<b>108,187</b>	<b>340,260</b>	<b>3,965</b>	<b>344,225</b>
<b>(AUDITED)</b>									
<b>At 1 June 2013</b>	196,691	6,176	1,347	-	(1,915)	60,290	<b>262,589</b>	3,842	<b>266,431</b>
Total comprehensive income	-	-	-	-	(3,251)	43,225	<b>39,974</b>	926	<b>40,900</b>
Dividends on ordinary shares	-	-	-	-	-	(4,426)	<b>(4,426)</b>	-	<b>(4,426)</b>
Disposal of investment in subsidiaries	-	-	-	-	296	(296)	<b>-</b>	(1,574)	<b>(1,574)</b>
<b>At 31 May 2014</b>	<b>196,691</b>	<b>6,176</b>	<b>1,347</b>	<b>-</b>	<b>(4,870)</b>	<b>98,793</b>	<b>298,137</b>	<b>3,194</b>	<b>301,331</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 2014.*



**GADANG HOLDINGS BERHAD**  
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2014**

	UNAUDITED <b>6 Months Ended 30/11/2014 RM'000</b>	UNAUDITED <b>6 Months Ended 30/11/2013 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	25,196	22,577
Adjustments for:		
Amortisation of biological asset	182	151
Bad debts written off	-	408
Decrease in liability for defined benefit obligations	(322)	(177)
Depreciation of concession assets	1,102	750
Depreciation of investment properties	86	138
Depreciation of property, plant and equipment	7,091	1,390
Finance costs	3,142	895
Gain on bargain purchase	(206)	-
Gain on disposal of investment in subsidiaries	-	(519)
Gain on disposal of other investment	(5)	-
Gain on disposal of property, plant and equipment	(596)	(169)
Impairment loss on goodwill	2	-
Impairment loss on tax recoverable	307	-
Interest income	(2,106)	(1,503)
Property, plant and equipment written off	2	61
Unrealised loss on foreign exchange	826	-
Recovery from provision of doubtful debts	(273)	(1,634)
Reversal of impairment losses on assets held for sale	-	(554)
Operating profit before working capital changes	34,428	21,814
Changes in working capital:		
Property development costs	(38,342)	3,739
Biological assets	(531)	(781)
Amount due from/(to) customers on contracts	73,398	24,058
Inventories	(4,363)	(2)
Receivables	2,886	(39,182)
Payables	(13,427)	(20,088)
Income tax paid	(10,357)	(3,450)
<b>Net Operating Cash Flows</b>	<b>43,692</b>	<b>(13,892)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(8,126)	(1,281)
Purchase of concession assets	(409)	(192)
Investment in subsidiaries	(5,076)	-
Proceeds from disposal of concession asset	-	78
Proceeds from disposal of assets held for sale	-	1,865
Proceeds from disposal of other investment	43	-
Proceeds from disposal of property, plant and equipment	680	169
Interest received	2,106	1,503
<b>Net Investing Cash Flows</b>	<b>(10,782)</b>	<b>2,142</b>



**GADANG HOLDINGS BERHAD**  
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2014 (Continued)**

	UNAUDITED	UNAUDITED
	6 Months Ended 30/11/2014 RM'000	6 Months Ended 30/11/2013 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	67,829	38,577
Finance costs	(3,142)	(895)
Proceeds from issuance of ordinary share capital	32,406	-
Proceeds from issuance of shares upon exercise of warrants	6	-
Repayment of bank borrowings	(37,566)	(3,965)
Fixed deposits pledged as security	(9,938)	(7,084)
Repayment of hire purchase liabilities	(3,472)	(1,823)
<b>Net Financing Cash Flows</b>	<b>46,123</b>	<b>24,810</b>
Net change in cash and cash equivalents	79,033	13,060
Effect of exchange rate changes	(835)	(1,157)
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	<b>154,352</b>	<b>107,254</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and bank balances	76,874	82,358
Fixed deposits placed with licensed banks	151,038	72,919
Bank overdrafts	(327)	(1,472)
	227,585	153,805
Less: Fixed deposits pledged as security	(73,233)	(46,551)
<b>Total</b>	<b>154,352</b>	<b>107,254</b>

*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 30 NOVEMBER 2014

#### 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 30 NOVEMBER 2014**

**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
-----------	--------

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 30 NOVEMBER 2014**

**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 for the current quarter ended 30 November 2014 other than the followings:-

In the preceding period, the stage of completion for Capital City Project (an integrated joint venture between Achwell Property Sdn Bhd, a wholly-owned subsidiary of Gadang Holdings Berhad, and Capital City Property Sdn Bhd) is determined based on the proportion of contract costs incurred for work performed to date bears to the estimated total property development costs. The stage of completion is now determined based on surveys of work performed. The change is based on a review and re-assessment performed by the directors and management over the nature of the transactions involved. The directors and management are of the view that the change is more relevant and reliable to reflect the economic substance of the transactions involved. This represents a change in accounting estimate and has been applied prospectively. The change has the effect of increasing the profit after taxation by approximately RM2.26 million for the current financial period.

**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.



**GADANG HOLDINGS BERHAD**  
(Company No. 278114-K)

**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2014**

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

**A8. DIVIDEND PAID**

There was no payment of dividend in the current quarter.

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.

**A9. SEGMENTAL REPORTING**

**6 months ended 30 November 2014 (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
<b>30 November 2014</b>						
<b>Revenue</b>	197,292	42,455	7,615	-	592	247,954
<b>Results</b>						
Segment results	17,549	10,997	1,615	(2,740)	(946)	26,475
Finance costs	(474)	(753)	(40)	-	(12)	(1,279)
Profit /(Loss) before tax	17,075	10,244	1,575	(2,740)	(958)	25,196
Income tax expense						(6,865)
Profit for the year						18,331

**6 months ended 30 November 2013 (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
<b>30 November 2013</b>						
<b>Revenue</b>	207,025	39,053	8,105	-	291	254,474
<b>Results</b>						
Segment results	12,733	8,901	3,518	(628)	(1,052)	23,472
Finance costs	(658)	(143)	(79)	-	(15)	(895)
Profit /(Loss) before tax	12,075	8,758	3,439	(628)	(1,067)	22,577
Income tax expense						(6,183)
Profit for the year						16,394

**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 30 NOVEMBER 2014**

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

**A11. SIGNIFICANT SUBSEQUENT EVENTS**

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

**A12. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group for the current quarter ended 30 November 2014 other than the following developments:-

- (i) On 21 July 2014, Asian Utilities Pte. Ltd ("AUPL"), the Company's indirect wholly-owned subsidiary had on even date entered into a Sale and Purchase of Shares Agreement with Nanang Mohamad Sjahbudi, Thomas Luciana and Johanes Himawan to acquire their respective shares amounting to 700 shares of nominal value IDR 1,000,000 each representing 70% of the total issued and paid-up capital of PT. Dewata Bangun Tirta ("PTDBT") for a purchase consideration of IDR55 billion (equivalent to approximately RM15.07 million as at 21 July 2014).

The subscription of shares in PTDBT was completed on 5 November 2014. With the completion, PTDBT became an indirect subsidiary of the Company.

- (ii) On 24 October 2014, JiaWei Environment International Investment (HK) Limited, a dormant indirect wholly-owned subsidiary of the Company has been struck off from the register by the Companies Registry of Hong Kong and dissolved accordingly.

**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:

	<b>RM'000</b>
As at 1 September 2014	261,185
Decrease during the period	(26,410)
As at 30 November 2014	<u>234,775</u>



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2014

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

#### A14. CAPITAL COMMITMENTS

	<b>As At 30/11/2014 RM'000</b>
<b>Approved and contracted for</b>	
- Balance of purchase consideration for property acquisitions as per Sale and Purchase Agreement	11,000
- Purchase consideration for investment in subsidiary as per Sale and Purchase of Shares Agreement	3,060
<b>Approved and not contracted for</b>	
- Oil palm plantations development	4,515
	<hr/> <b>18,575</b> <hr/>



**GADANG HOLDINGS BERHAD**  
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2014

**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 posted revenue of RM114.60 million, a decrease of 18.74% over the corresponding quarter of the preceding year. The Group's profit before tax decreased by 1.51% to RM12.49 million as compared to the corresponding quarter of the preceding year.

For the current year to date, the Group achieved revenue of RM247.95 million, a decrease of 2.56% over the preceding year to date. The Group's profit before tax increased by 11.60% to RM25.20 million compared to the preceding year to date. The increase in profit before tax was a result of better margins from construction and property activities

Further analysis of the divisional performances is as follows:

UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
3 Months Ended 30/11/2014 RM'000	3 Months Ended 30/11/2013 RM'000	6 Months Ended 30/11/2014 RM'000	6 Months Ended 30/11/2013 RM'000

**REVENUE**

Construction Division	88,229	117,177	197,292	207,025
Property Division	21,918	19,803	42,455	39,053
Utility Division	4,138	3,837	7,615	8,105
Plantation Division	311	206	592	291
Investment Holding	-	-	-	-
	<b>114,596</b>	<b>141,023</b>	<b>247,954</b>	<b>254,474</b>

**PROFIT/(LOSS) BEFORE TAX**

Construction Division	6,758	6,613	17,075	12,075
Property Division	6,538	4,412	10,244	8,758
Utility Division	1,041	2,326	1,575	3,439
Plantation Division	(421)	(438)	(958)	(1,067)
Investment Holding	(1,428)	(233)	(2,740)	(628)
	<b>12,488</b>	<b>12,680</b>	<b>25,196</b>	<b>22,577</b>

**Construction Division**

For the current quarter, revenue decreased by 24.71% to RM88.23 million as compared to the corresponding quarter of the preceding year. Profit before tax increased marginally to RM6.76 million.

Revenue for the current year to date decreased marginally to RM197.29 million as compared to RM207.03 million recorded in the preceding year to date. Profit before tax increased to RM17.07 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 30 NOVEMBER 2014

**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 and profit before tax for the current quarter increased to RM21.92 million and RM6.54 million respectively as compared to the corresponding quarter of the preceding year mainly due to the changes in accounting estimates for revenue recognition for Capital City Project as disclosed in Notes A6.

In line with this, current year to date revenue and profit before tax increased to RM42.46 million and RM10.24 million respectively.

**Utility Division**

Revenue for the current quarter of RM4.14 million and year to date of RM7.62 million decreased by 7.85% and 6.05% respectively as compared to the corresponding period of the preceding year mainly due to the disposal of indirect subsidiary PT Sarana Tirta Rejeki on 21 November 2013.

In line with this, profit before tax for the current quarter and current year to date decreased to RM1.04 million and RM1.58 million respectively.

**Plantation Division**

Revenue for the current quarter and year to-date increased to RM0.31 million and RM0.59 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 RM0.42 million and RM0.96 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 3 Months Ended 30/11/2014 RM'000	UNAUDITED 3 Months Ended 31/08/2014 RM'000	UNAUDITED 3 Months Ended 30/11/2014 RM'000	UNAUDITED 3 Months Ended 31/08/2014 RM'000
	<b>REVENUE</b>		<b>PROFIT/(LOSS) BEFORE TAX</b>	
Construction Division	88,229	109,063	6,758	10,317
Property Division	21,918	20,537	6,538	3,706
Utility Division	4,138	3,477	1,041	534
Plantation Division	311	281	(421)	(537)
Investment Holding	-	-	(1,428)	(1,312)
	<b>114,596</b>	<b>133,358</b>	<b>12,488</b>	<b>12,708</b>



**GADANG HOLDINGS BERHAD**  
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2014

**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 lower revenue of RM114.60 million for the current quarter as compared to RM133.36 million in preceding quarter. The reason for the higher revenue in preceding quarter was attributed by higher contribution from the construction activities.

In line with the above, the Group's profit before tax decreased marginally from RM12.71 million in preceding quarter to RM12.49 in current quarter.

**B3. BUSINESS PROSPECTS**

The Board expects the performance for the current financial year to be better than that achieved in the previous financial year due to:-

- the sustainable earnings stream from the on-going construction projects,
- the continuous sales activities generated by the flagship projects of the property division, and
- the stable earnings from the Indonesian utility operations.

**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:

	<b>3 Months Ended 30/11/2014 RM'000</b>	<b>6 Months Ended 30/11/2014 RM'000</b>
Income tax expense:		
Malaysian income tax	(3,326)	(6,288)
Foreign income tax	(556)	(744)
Deferred tax	83	167
	<u>(3,799)</u>	<u>(6,865)</u>

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



**GADANG HOLDINGS BERHAD**  
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2014

**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**

On 29 October 2013, the Company had announced that AUPL had on even date entered into a Sale and Purchase of Shares Agreement (“SPSA”) with Angga Panji Kesuma and Aprian Eka Rahadi to acquire their respective shares amounting to 6,000 shares of nominal value IDR 1,000,000 each representing 80% of the total issued and paid-up share capital of PT. Hidronusa Rawan Energi for a purchase consideration of IDR10.80 billion (equivalent to approximately RM3.06 million as at 29 October 2013) (“Proposed Shares Acquisition”).

The Proposed Shares Acquisition is yet to be completed pending the fulfillment of certain conditions precedent as stipulated in the SPSA.

**B7. UTILISATION OF PROCEEDS**

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

<b>Purpose</b>	<b>Proposed utilisation</b>	<b>Actual utilisation as at 30 November 2014</b>	<b>Balance unutilised as at 30 November 2014</b>	<b>Intended timeframe for utilisation from the date of listing</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Investments in Utility	27,295	(8,833)	18,462	Within 24 months
Investments in Plantation	5,000	(1,100)	3,900	Within 24 months
Expenses relating to the Private Placement	750	(643)	107*	Within 1 month
	33,045	(10,576)	22,469	

\*Note: The balance unutilised would be used for the working capital of the Group in its existing business.





## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2014

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

#### B8. GROUP BORROWINGS

The details of the Group borrowings are as follows:

	As at 30/11/2014		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	83,151	-	83,151
Long term borrowings	111,281	-	111,281
	<u>194,432</u>	<u>-</u>	<u>194,432</u>

Borrowings denominated in foreign currency:

	Exchange Rate		
	IDR'000	IDR100	RM'000
Indonesian Rupiah (IDR)	<u>712,394</u>	<u>0.0277</u>	<u>197</u>

#### B9. MATERIAL LITIGATION

As at 9 January 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.



**GADANG HOLDINGS BERHAD**  
(Company No. 278114-K)

**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2014**

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

**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.

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>3 Months Ended 30/11/2014</b>	<b>3 Months Ended 30/11/2013</b>	<b>6 Months Ended 30/11/2014</b>	<b>6 Months Ended 30/11/2013</b>
Net profit attributable to ordinary equity holders of the Company (RM'000)	8,511	8,270	18,048	15,407
Number of ordinary shares in issue ('000)	216,369	196,691	216,369	196,691
Basic earnings per share (sen)	<u>3.93</u>	<u>4.20</u>	<u>8.34</u>	<u>7.83</u>

**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 30 November 2014, into realised and unrealised profits, pursuant to the directive, is as follows:

	<b>As at 30/11/2014 RM'000</b>	<b>As at 30/11/2013 RM'000</b>
Total retained profits of the Group		
- Realised	118,069	60,600
- Unrealised	(9,882)	10,375
Total Group's retained profits as per consolidated account	<u>108,187</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 30 NOVEMBER 2014**

**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:

	<b>3 Months Ended 31/11/2014 RM'000</b>	<b>6 Months Ended 31/11/2014 RM'000</b>
Depreciation and amortisation	4,775	8,461
Finance costs	1,830	3,142
Gain on bargain purchase	-	(206)
Gain on disposal of property, plant and equipment	(400)	(596)
Impairment losses on goodwill	-	2
Impairment losses on tax recoverable	-	307
Interest income	(1,180)	(2,106)
Property, plant and equipment written off	1	2
Recovery from provision of doubtful debts	(273)	(273)
Unrealised loss on foreign exchange	390	826

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  
16 January 2015