



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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2015**

	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/05/2015 RM'000	3 Months Ended 31/05/2014 RM'000	12 Months Ended 31/05/2015 RM'000	12 Months Ended 31/05/2014 RM'000
Revenue	170,480	142,994	588,123	544,946
Cost of sales	(126,337)	(121,418)	(460,192)	(454,199)
<b>Gross profit</b>	<b>44,143</b>	<b>21,576</b>	<b>127,931</b>	<b>90,747</b>
Other income	6,954	1,914	13,519	8,947
Administrative expenses	(4,426)	(3,924)	(18,003)	(15,267)
Other expenses	(13,013)	(6,078)	(35,752)	(19,324)
Finance costs	(656)	(944)	(2,642)	(2,018)
<b>Profit before tax</b>	<b>33,002</b>	<b>12,544</b>	<b>85,053</b>	<b>63,085</b>
Income tax expense	(7,928)	(3,335)	(25,166)	(18,707)
<b>Net profit for the financial year</b>	<b>25,074</b>	<b>9,209</b>	<b>59,887</b>	<b>44,378</b>
<b>Other comprehensive income:</b>				
Foreign currency translation	(57)	(627)	294	(3,478)
<b>Total comprehensive income for the financial year</b>	<b>25,017</b>	<b>8,582</b>	<b>60,181</b>	<b>40,900</b>
<b>Net profit attributable to:</b>				
Equity holders of the Company	24,552	8,591	58,768	43,225
Non-controlling interests	522	618	1,119	1,153
	<b>25,074</b>	<b>9,209</b>	<b>59,887</b>	<b>44,378</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	24,513	7,988	59,035	39,973
Non-controlling interests	504	594	1,146	927
	<b>25,017</b>	<b>8,582</b>	<b>60,181</b>	<b>40,900</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic (sen)	11.35	4.37	27.16	21.98

*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 31 MAY 2015**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 31/05/2015 RM'000</b>	<b>As At 31/05/2014 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	93,048	61,075
Biological assets	12,446	11,771
Investment properties	19,102	19,361
Concession assets	42,950	28,033
Other investment	100	138
Goodwill	16,609	9,147
Deferred tax assets	3,484	2,262
Non-trade receivables	592	537
	<u>188,331</u>	<u>132,324</u>
<b>Current assets</b>		
Property development costs	208,092	137,660
Amount due from customers on contracts	6,149	43,964
Inventories	3,283	95
Trade and other receivables	172,428	116,646
Tax recoverable	7,193	4,626
Fixed deposits placed with licensed banks	116,475	71,650
Cash and bank balances	116,302	73,870
	<u>629,922</u>	<u>448,511</u>
<b>TOTAL ASSETS</b>	<b>818,253</b>	<b>580,835</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity Holders of the Company</b>		
Share Capital	216,369	196,691
Reserves	164,182	101,446
	<u>380,551</u>	<u>298,137</u>
<b>Non-controlling interests</b>	6,867	3,194
<b>Total equity</b>	<b>387,418</b>	<b>301,331</b>



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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MAY 2015 (Continued)**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 31/05/2015 RM'000</b>	<b>As At 31/05/2014 RM'000</b>
<b>Non-current liabilities</b>		
Non-trade payables	2,094	9,514
Bank borrowings	109,830	65,727
Deferred tax liabilities	9,409	12,311
Defined benefit obligations	1,121	1,219
	<u>122,454</u>	<u>88,771</u>
<b>Current liabilities</b>		
Trade and other payables	150,682	106,448
Amount due to customers on contracts	68,737	3,976
Bank borrowings	83,263	78,343
Current tax liabilities	5,699	1,966
	<u>308,381</u>	<u>190,733</u>
<b>Total liabilities</b>	<u>430,835</u>	<u>279,504</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>818,253</u>	<u>580,835</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.76	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 YEAR ENDED 31 MAY 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	
<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	-	-	-	-	267	58,768	<b>59,035</b>	1,146	<b>60,181</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)	-	-	-	-	-	(364)	<b>(364)</b>	(464)	<b>(828)</b>
Investment in subsidiaries	-	-	-	-	(14)	-	<b>(14)</b>	2,991	<b>2,977</b>
<b>At 31 May 2015</b>	<b>216,369</b>	<b>6,173</b>	<b>1,347</b>	<b>12,736</b>	<b>(4,617)</b>	<b>148,543</b>	<b>380,551</b>	<b>6,867</b>	<b>387,418</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 YEAR ENDED 31 MAY 2015**

	UNAUDITED	AUDITED
	12 Months Ended 31/05/2015 RM'000	12 Months Ended 31/05/2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	85,053	63,085
Adjustments for:		
Amortisation of biological asset	385	331
Bad debts written off	-	544
Deposits written off	-	61
Depreciation of concession assets	1,419	2,172
Depreciation of investment properties	258	276
Depreciation of property, plant and equipment	20,584	11,427
Fair value adjustments on:		
- trade and non-trade receivables	6,182	36
- amount due to a director	36	90
- trade and non-trade payables	(4,043)	799
Finance costs	7,538	4,182
Gain on bargain purchase	(206)	-
Gain on disposal of investment in subsidiaries	-	(519)
Gain on disposal of investment property	-	(538)
(Gain)/Loss on disposal of property, plant and equipment	(961)	1,237
Impairment loss on goodwill	2	-
Impairment loss on other investment	-	25
Impairment loss on concession assets	276	-
Impairment loss on property, plant and equipment	-	4,183
Increased/(Decreased) in liability for defined benefit obligations	(97)	195
Interest income	(4,879)	(3,506)
Inventories written off	-	90
Property, plant and equipment written off	32	132
Unrealised loss on foreign exchange	1,431	473
Recovery from provision of doubtful debts	(273)	-
Reversal of impairment losses on assets held for sale	-	(554)
Waiver of liabilities	(12)	(547)
Operating profit before working capital changes	112,725	83,674
Changes in working capital:		
Property development costs	(70,431)	2,544
Biological assets	(1,059)	(1,460)
Amount due from/(to) customers on contracts	102,577	(23,288)
Inventories	(1,097)	823
Receivables	(61,746)	(72,285)
Payables	38,284	(6,307)
Income tax paid	(28,124)	(22,840)
<b>Net Operating Cash Flows</b>	<b>91,129</b>	<b>(39,139)</b>



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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MAY 2015 (Continued)**

	<b>12 Months Ended 31/05/2015 RM'000</b>	<b>12 Months Ended 31/05/2014 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(10,021)	(8,380)
Purchase of concession assets	(2,039)	(408)
Purchase of investment properties	-	(147)
Investment in subsidiaries	(16,803)	-
Proceeds from disposal of concession asset	-	76
Proceeds from disposal of assets held for sale	-	1,866
Proceeds from disposal of investment property	-	6,396
Proceeds from disposal of other investment	33	-
Proceeds from disposal of property, plant and equipment	1,052	967
Interest received	4,879	3,505
<b>Net Investing Cash Flows</b>	<b>(22,899)</b>	<b>3,875</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	92,080	106,863
Finance costs	(7,538)	(4,182)
Proceeds from issuance of ordinary share capital	32,406	-
Proceeds from issuance of shares upon exercise of warrants	6	-
Repayment of bank borrowings	(79,996)	(49,945)
Fixed deposits pledged as security	6,667	(23,829)
Repayment of hire purchase liabilities	(6,602)	(6,417)
Dividends paid to shareholders of the Company	(8,654)	(4,426)
<b>Net Financing Cash Flows</b>	<b>28,369</b>	<b>18,064</b>
Net change in cash and cash equivalents	96,599	(17,200)
Effect of exchange rate changes	(1,471)	(1,997)
Cash and cash equivalents at the beginning of the financial year	76,154	95,351
Cash and cash equivalents at the end of the financial year	<b>171,282</b>	<b>76,154</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and bank balances	116,302	73,870
Fixed deposits placed with licensed banks	116,475	71,650
Bank overdrafts	(4,867)	(6,071)
	227,910	139,449
Less: Fixed deposits pledged as security	(56,628)	(63,295)
<b>Total</b>	<b>171,282</b>	<b>76,154</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 31 MAY 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") and amendments/improvements to FRSs 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 [Sale or Contribution of Assets between an Investor and its Associate or Joint Venture]
FRS 10	Consolidated Financial Statements [Investment Entities: Applying the Consolidation Exception]
FRS 11	Joint Arrangements [Accounting for Acquisitions of Interest in Joint Operations]
FRS 12	Disclosure of Interests in Other Entities [Investment Entities: Applying the Consolidation Exception]
FRS 13	Fair Value Measurement [Annual Improvements to FRSs 2011-2013 Cycle]
FRS 101	Presentation of Financial Statements [Disclosure Initiative: Amendments to MFRS 101]
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]



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

**INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 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 124	Related Party Disclosures [Annual Improvements to FRS124]
FRS 127	Separate Financial Statements [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]
FRS 128	Investment in Associates and Joint Ventures [Investment Entities: Applying the Consolidation Exception]
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]

The adoption of these new FRSs and amendments/improvements to FRSs 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.





**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2015**

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

**A2. CHANGES IN ACCOUNTING POLICIES (Continued)**

**Malaysian Financial Reporting Standards ("MFRS") (Continued)**

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.

**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 year 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 year 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 year 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**

There was no payment of dividend in the current quarter.



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2015**

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

**A9. SEGMENTAL REPORTING**

**12 months ended 31 May 2015 (Current Financial Year)**

	<b>Construction Division RM'000</b>	<b>Property Division RM'000</b>	<b>Utility Division RM'000</b>	<b>Investment Holding RM'000</b>	<b>Plantation Division RM'000</b>	<b>Consolidated RM'000</b>
<b>31 May 2015</b>						
<b>Revenue</b>	449,585	120,523	16,682	-	1,333	588,123
<b>Results</b>						
Segment results	50,007	41,134	3,361	(5,105)	(1,702)	87,695
Finance costs	(862)	(1,678)	(79)	-	(23)	(2,642)
Profit /(Loss) before tax	49,145	39,456	3,282	(5,105)	(1,725)	85,053
Income tax expense						(25,166)
Profit for the year						59,887

**12 months ended 31 May 2014 (Previous Financial Year)**

	<b>Construction Division RM'000</b>	<b>Property Division RM'000</b>	<b>Utility Division RM'000</b>	<b>Investment Holding RM'000</b>	<b>Plantation Division RM'000</b>	<b>Consolidated RM'000</b>
<b>31 May 2014</b>						
<b>Revenue</b>	442,193	87,034	14,780	-	939	544,946
<b>Results</b>						
Segment results	34,586	31,606	4,780	(3,876)	(1,993)	65,103
Finance costs	(920)	(975)	(96)	-	(27)	(2,018)
Profit /(Loss) before tax	33,666	30,631	4,684	(3,876)	(2,020)	63,085
Income tax expense						(18,707)
Profit for the year						44,378

**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 31 MAY 2015

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

#### A11. SIGNIFICANT SUBSEQUENT EVENTS

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

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

There were no material changes in the composition of the Group during the current quarter and year ended 31 May 2015 other than the following:-

- (i) On 2 May 2013, Asian Utilities Pte Ltd ("AUPL"), the Company's indirect wholly-owned subsidiary proposed to subscribe 9,000 new shares of Indonesian Rupiah (IDR) 1,000,000 each representing 60% of the enlarged issued share capital of PT. Ikhwan Mega Power ("PTIMP") for a total cash subscription price of IDR 9 billion. On 26 June 2014, the subscription of shares was completed and PTIMP became an indirect subsidiary of the Company.
- (ii) On 2 July 2014, Gadang Land Sdn Bhd, the Company's wholly-owned subsidiary acquired the entire issued and paid-up share capital of Tema Warisan Sdn Bhd ("TWSB") comprising two (2) ordinary shares of RM1.00 each for a cash consideration of RM2.00. TWSB is currently dormant and its intended principal activity is property management and maintenance.
- (iii) On 15 August 2014, Gadang Engineering (M) Sdn Bhd, the Company's wholly-owned subsidiary acquired 539,001 ordinary shares of RM1.00 each representing 49% of the issued and paid-up share capital of Era Berkhat Sdn Bhd ("Era Berkhat") thereby increasing its interest in Era Berkhat to 1,100,002 ordinary shares representing 100% equity interest in Era Berkhat. Following the acquisition, Era Berkhat became an indirect wholly-owned subsidiary of the Company.
- (iv) On 27 August 2014, New-Mix Concrete Industries Sdn Bhd, a dormant indirect wholly-owned subsidiary of the Company has been struck off from the register by the Companies Commission of Malaysia pursuant to the powers conferred by Section 308(4) of the Companies Act, 1965 and dissolved accordingly.
- (v) 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.
- (vi) On 21 July 2014, AUPL proposed to acquire 700 shares of nominal value IDR 1,000,000 each representing 70% of the total issued and paid-up share capital of PT. Dewata Bangun Tirta ("PTDBT") for a purchase consideration of IDR 55 billion. On 5 November 2014, the acquisition was completed and PTDBT became an indirect subsidiary of the Company.
- (vii) On 29 October 2013, AUPL proposed to acquire 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 ("PTHRE") for a purchase consideration of IDR 10.80 billion. On 12 December 2014, the acquisition was completed and PTHRE became an indirect subsidiary of the Company.
- (viii) On 4 May 2015, AUPL completed its acquisition of an additional 450 shares representing 15% of the equity interest in PTDBT from the minority shareholders for a total cash consideration of IDR 1.50 billion. Following the acquisition, AUPL's equity interest in PTDBT increased from 70% to 85%.



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2015**

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

**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 28 February 2015	211,023
Increase during the period	1,825
As at 31 May 2015	<u>212,848</u>

**A14. CAPITAL COMMITMENTS**

	<b>As At 31/05/2015 RM'000</b>
<b>Approved and contracted for</b>	
- Balance of purchase consideration for property acquisitions as per Sale and Purchase Agreement	86,225
<b>Approved and not contracted for</b>	
- Oil palm plantations development	2,882
	<u>89,107</u>



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**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 RM170.48 million, an increase of 19.22% over the corresponding quarter of the preceding year. The Group's profit before tax increased by 163.09% to RM33.00 million as compared to the corresponding quarter of the preceding year.

For the current year to date, the Group achieved revenue of RM588.12 million, an increase of 7.92% over the preceding year to date. The Group's profit before tax increased by 34.82% to RM85.05 million compared to the preceding year to date. The increase in revenue and profit before tax was a result of higher contributions from construction and property activities.

Further analysis of the divisional performances is as follows:

UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
3 Months Ended 31/05/2015 RM'000	3 Months Ended 31/05/2014 RM'000	12 Months Ended 31/05/2015 RM'000	12 Months Ended 31/05/2014 RM'000

**REVENUE**

Construction Division	131,381	124,868	449,585	442,193
Property Division	34,449	13,746	120,523	87,034
Utility Division	4,164	3,921	16,682	14,780
Plantation Division	486	459	1,333	939
Investment Holding	-	-	-	-
	<u>170,480</u>	<u>142,994</u>	<u>588,123</u>	<u>544,946</u>

**PROFIT/(LOSS) BEFORE TAX**

Construction Division	23,053	9,257	49,145	33,666
Property Division	10,515	4,806	39,456	30,631
Utility Division	930	264	3,282	4,684
Plantation Division	(311)	(429)	(1,725)	(2,020)
Investment Holding	(1,185)	(1,354)	(5,105)	(3,876)
	<u>33,002</u>	<u>12,544</u>	<u>85,053</u>	<u>63,085</u>

**Construction Division**

Revenue and profit before tax for the current quarter increased to RM131.38 million and RM23.05 million respectively as compared to the corresponding quarter of the preceding year as a result of improved construction progress and improved profit margins achieved for various projects.

In line with this, current year to date revenue and profit before tax increased to RM449.59 million and RM49.15 million respectively.



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**B1. OPERATING SEGMENTS REVIEW (Continued)**

**Property Division**

Revenue for the current quarter of RM34.45 million and year to date of RM120.52 million increased by 150.61% and 38.48% respectively as compared to the previous year corresponding period.

The profit before tax for the current quarter and year to date increased to RM10.52 million and RM39.46 million respectively. This was mainly due to higher development progress for various projects and changes in accounting estimates for revenue recognition treatment for Capital City Project.

**Utility Division**

Revenue for the current quarter of RM4.16 million and year to date of RM16.68 million increased by 6.20% and 12.87% 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 year to date declined to RM3.28 million as compared to the preceding year. This was mainly due to the disposal of indirect subsidiary PT Sarana Tirta Rejeki on 21 November 2013 and pre-operating losses incurred by newly acquired indirect subsidiary PT Ikhwan Mega Power.

**Plantation Division**

Revenue for the current quarter and year to date increased to RM0.48 million and RM1.33 million respectively as compared to the corresponding period of the preceding year. This was mainly due to higher harvesting activities.

In line with this, loss before tax for the current quarter and year to date decreased to RM0.31 million and RM1.73 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**

	<b>UNAUDITED</b>	<b>UNAUDITED</b>	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>3 Months</b>	<b>3 Months</b>	<b>3 Months</b>	<b>3 Months</b>
	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>
	<b>31/05/2015</b>	<b>28/02/2015</b>	<b>31/05/2015</b>	<b>28/02/2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>REVENUE</b>		<b>PROFIT/(LOSS) BEFORE TAX</b>	
Construction Division	131,381	120,912	23,053	9,017
Property Division	34,449	43,619	10,515	18,697
Utility Division	4,164	4,903	930	777
Plantation Division	486	255	(311)	(456)
Investment Holding	-	-	(1,185)	(1,180)
	<b>170,480</b>	<b>169,689</b>	<b>33,002</b>	<b>26,855</b>



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

The Group recorded higher revenue of RM170.48 million for the current quarter as compared to RM169.69 million in preceding quarter mainly due to higher construction activities.

In tandem with this, the Group's profit before tax increased from RM26.86 million in preceding quarter to RM33.00 for the current quarter.

**B3. BUSINESS PROSPECTS**

The Group has recorded a stronger financial performance in FYE2015 and the Board expects the performance for the next financial year ending 2016 to be better 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 such as The Vyne residential project in Salak South, joint development with Cyberview Sdn Bhd in Cyberjaya and joint venture development with Capital City Sdn Bhd for an integrated development in Tampoi, Johor Bahru.

**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 31/05/2015 RM'000</b>	<b>12 Months Ended 31/05/2015 RM'000</b>
Income tax expense:		
Malaysian income tax	(9,434)	(28,072)
Foreign income tax	(208)	(1,218)
Deferred tax	1,714	4,124
	<u>(7,928)</u>	<u>(25,166)</u>

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



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**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:-

<b>Purpose</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation as at 31 May 2015 RM'000</b>	<b>Balance unutilised as at 31 May 2015 RM'000</b>	<b>Intended timeframe for utilisation from the date of listing</b>
Investments in Utility	27,295	(17,194)	10,101	Within 24 months
Investments in Plantation	5,000	(1,850)	3,150	Within 24 months
Expenses relating to the Private Placement	750	(750)*	-	N/A
	33,045	(19,794)	13,251	

\*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:

	<b>As at 31/05/2015</b>		
	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
Short term borrowings	83,263	-	83,263
Long term borrowings	109,830	-	109,830
	193,093	-	193,093

Borrowings denominated in foreign currency:

	<b>Exchange Rate</b>		
	<b>IDR'000</b>	<b>IDR100</b>	<b>RM'000</b>
Indonesian Rupiah (IDR)	427,436	0.0277	118





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**B9. MATERIAL LITIGATION**

As at 23 July 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**

The Board has proposed a first and final single tier dividend of 5 sen per share in respect of the financial year ended 2015 for approval of the shareholders at the forthcoming annual general meeting. The entitlement date and the payment date of the proposed first and final single tier dividend shall be announced later.

**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 31/05/2015</b>	<b>3 Months Ended 31/05/2014</b>	<b>12 Months Ended 31/05/2015</b>	<b>12 Months Ended 31/05/2014</b>
Net profit attributable to ordinary equity holders of the Company (RM'000)	24,552	8,591	58,768	43,225
Number of ordinary shares in issue ('000)	216,369	196,691	216,369	196,691
Basic earnings per share (sen)	<u>11.35</u>	<u>4.37</u>	<u>27.16</u>	<u>21.98</u>



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**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 31 May 2015, into realised and unrealised profits, pursuant to the directive, is as follows:

	<b>As at 31/05/2015 RM'000</b>	<b>As at 31/05/2014 RM'000</b>
Total retained profits of the Group		
- Realised	154,467	108,842
- Unrealised	(5,924)	(10,049)
Total Group's retained profits as per consolidated account	<u>148,543</u>	<u>98,793</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.



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**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 31/05/2015 RM'000</b>	<b>12 Months Ended 31/05/2015 RM'000</b>
Depreciation and amortisation	7,901	22,646
Fair value gain on payables	(4,043)	(4,043)
Fair value loss on receivables	6,218	6,218
Finance costs	2,763	7,538
Gain on bargain purchase	-	(206)
Gain on disposal of property, plant and equipment	(156)	(961)
Impairment loss on goodwill	-	2
Impairment loss on concession assets	276	276
Interest income	(1,225)	(4,879)
Property, plant and equipment written off	30	32
Recovery from provision of doubtful debts	-	(273)
Unrealised loss on foreign exchange	667	1,431
Waiver of liabilities	(12)	(12)

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  
30 July 2015