



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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014**

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/08/2014 RM'000	3 Months Ended 31/08/2013 RM'000	3 Months Ended 31/08/2014 RM'000	3 Months Ended 31/08/2013 RM'000
Revenue	133,358	113,451	133,358	113,451
Cost of sales	(108,432)	(97,007)	(108,432)	(97,007)
<b>Gross profit</b>	<b>24,926</b>	<b>16,444</b>	<b>24,926</b>	<b>16,444</b>
Other income	2,009	1,954	2,009	1,954
Administrative expenses	(4,727)	(3,595)	(4,727)	(3,595)
Other expenses	(8,978)	(4,374)	(8,978)	(4,374)
Finance costs	(522)	(532)	(522)	(532)
<b>Profit before tax</b>	<b>12,708</b>	<b>9,897</b>	<b>12,708</b>	<b>9,897</b>
Income tax expense	(3,066)	(2,228)	(3,066)	(2,228)
<b>Net profit for the financial period</b>	<b>9,642</b>	<b>7,669</b>	<b>9,642</b>	<b>7,669</b>
<b>Other comprehensive income:</b>				
Foreign currency translation	(387)	699	(387)	699
<b>Total comprehensive income for the financial period</b>	<b>9,255</b>	<b>8,368</b>	<b>9,255</b>	<b>8,368</b>
<b>Net profit attributable to:</b>				
Equity holders of the Company	9,537	7,137	9,537	7,137
Non-controlling interests	105	532	105	532
	<b>9,642</b>	<b>7,669</b>	<b>9,642</b>	<b>7,669</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	9,155	7,911	9,155	7,911
Non-controlling interests	100	457	100	457
	<b>9,255</b>	<b>8,368</b>	<b>9,255</b>	<b>8,368</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic (sen)	4.41	3.63	4.41	3.63

*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 AUGUST 2014**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 31/08/2014 RM'000</b>	<b>As At 31/05/2014 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	60,492	61,075
Biological assets	11,902	11,771
Investment properties	19,296	19,361
Concession assets	29,838	28,033
Other investment	100	138
Goodwill	11,033	9,147
Deferred tax assets	2,260	2,262
Non-trade receivables	557	537
	135,478	132,324
<b>Current assets</b>		
Property development costs	175,360	137,660
Amount due from customers on contracts	39,446	43,964
Inventories	152	95
Trade and other receivables	119,044	116,646
Tax recoverable	5,839	4,626
Fixed deposits placed with licensed banks	139,105	71,650
Cash and bank balances	80,244	73,870
	559,190	448,511
<b>TOTAL ASSETS</b>	<b>694,668</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	123,405	101,446
	339,774	298,137
<b>Non-controlling interests</b>	3,894	3,194
<b>Total equity</b>	<b>343,668</b>	<b>301,331</b>



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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2014 (Continued)**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 31/08/2014 RM'000</b>	<b>As At 31/05/2014 RM'000</b>
<b>Non-current liabilities</b>		
Non-trade payables	2,058	9,514
Bank borrowings	94,743	65,727
Deferred tax liabilities	12,224	12,311
Defined benefit obligations	890	1,219
	<u>109,915</u>	<u>88,771</u>
<b>Current liabilities</b>		
Trade and other payables	112,665	106,448
Amount due to customers on contracts	37,609	3,976
Bank borrowings	89,234	78,343
Current tax liabilities	1,577	1,966
	<u>241,085</u>	<u>190,733</u>
<b>Total liabilities</b>	<u>351,000</u>	<u>279,504</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>694,668</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 31 AUGUST 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	-	-	-	-	(382)	9,537	<b>9,155</b>	100	<b>9,255</b>
Issuance of ordinary share capital	19,670	-	-	12,778	-	-	<b>32,448</b>	-	<b>32,448</b>
Issue of shares upon exercise of warrants	8	(3)	-	-	-	-	<b>5</b>	-	<b>5</b>
Dilution arising from change in stake	-	-	-	-	-	-	<b>-</b>	(406)	<b>(406)</b>
Investment in subsidiary	-	-	-	-	29	-	<b>29</b>	1,006	<b>1,035</b>
<b>At 31 August 2014</b>	<b>216,369</b>	<b>6,173</b>	<b>1,347</b>	<b>12,778</b>	<b>(5,223)</b>	<b>108,330</b>	<b>339,774</b>	<b>3,894</b>	<b>343,668</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 31 AUGUST 2014**

	UNAUDITED <b>3 Months Ended 31/08/2014 RM'000</b>	UNAUDITED <b>3 Months Ended 31/08/2013 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	12,708	9,897
Adjustments for:		
Amortisation of biological asset	90	75
Decrease in liability for defined benefit obligations	(329)	(57)
Depreciation of concession assets	524	386
Depreciation of investment properties	65	-
Depreciation of property, plant and equipment	3,007	734
Finance costs	1,312	532
Gain on bargain purchase	(206)	-
Gain on disposal of other investment	(5)	-
Gain on disposal of property, plant and equipment	(196)	(69)
Impairment losses on assets held for sale	-	191
Impairment loss on goodwill	2	-
Impairment loss on tax recoverable	307	-
Interest income	(926)	(751)
Property, plant and equipment written off	1	61
Unrealised loss on foreign exchange	436	-
Operating profit before working capital changes	16,790	10,999
Changes in working capital:		
Property development costs	(37,700)	2,580
Biological assets	(221)	(383)
Amount due from/(to) customers on contracts	38,151	18,267
Assets held for sale	-	(123)
Inventories	(57)	(46)
Receivables	(2,418)	(12,236)
Payables	(1,240)	(7,720)
Income tax paid	(5,059)	(2,300)
<b>Net Operating Cash Flows</b>	<b>8,246</b>	<b>9,038</b>



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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014 (Continued)**

	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>3 Months Ended 31/08/2014 RM'000</b>	<b>3 Months Ended 31/08/2013 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(549)	(5,281)
Purchase of concession assets	(204)	(189)
Investment in subsidiaries	(3,428)	-
Proceeds from disposal of other investment	43	-
Proceeds from disposal of property, plant and equipment	196	69
Interest received	926	751
<b>Net Investing Cash Flows</b>	<b>(3,016)</b>	<b>(4,650)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	49,719	18,305
Finance costs	(1,312)	(532)
Proceeds from issue of ordinary share capital	32,448	-
Proceeds from issue of shares upon exercise of warrants	6	-
Repayment of bank borrowings	(10,082)	(3,765)
Fixed deposits pledged as security	(9,843)	(6,257)
Repayment of hire purchase liabilities	(1,676)	(410)
<b>Net Financing Cash Flows</b>	<b>59,260</b>	<b>7,341</b>
Net change in cash and cash equivalents	64,490	11,729
Effect of exchange rate changes	(575)	(147)
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>140,069</b>	<b>106,933</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and bank balances	80,244	97,839
Fixed deposits placed with licensed banks	139,105	58,994
Bank overdrafts	(6,142)	(4,177)
	213,207	152,656
Less: Fixed deposits pledged as security	(73,138)	(45,723)
<b>Total</b>	<b>140,069</b>	<b>106,933</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 AUGUST 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 7	Financial Instruments: Disclosures [Mandatory Effective Date and Transition Disclosures]
FRS 8	Operating Segments [Annual Improvements to FRSs 2010-2012 Cycle]
FRS 9	Financial Instruments [IFRS 9 issued by IASB in November 2009]
FRS 9	Financial Instruments [IFRS 9 issued by IASB in October 2010]
FRS 9	Financial Instruments [Hedge Accounting]
FRS 11	Joint Arrangements: Accounting for Acquisitions of Interest in Joint Operations
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 124	Related Party Disclosures [Annual Improvements to FRS124]
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



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

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

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.

**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.





**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2014**

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

**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 and financial period under review.

**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 which was completed on 3 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 AUGUST 2014**

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

**A9. SEGMENTAL REPORTING**

**3 months ended 31 August 2014 (Current Financial Period)**

	<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 August 2014</b>						
<b>Revenue</b>	109,063	20,537	3,477	-	281	133,358
<b>Results</b>						
Segment results	10,561	3,959	554	(1,312)	(532)	13,230
Finance costs	(244)	(253)	(20)	-	(5)	(522)
Profit /(Loss) before tax	10,317	3,706	534	(1,312)	(537)	12,708
Income tax expense						(3,066)
Profit for the year						9,642

**3 months ended 31 August 2013 (Previous Financial Period)**

	<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 August 2013</b>						
<b>Revenue</b>	89,848	19,250	4,268	-	85	113,451
<b>Results</b>						
Segment results	5,858	4,429	1,158	(395)	(621)	10,429
Finance costs	(396)	(83)	(45)	-	(8)	(532)
Profit /(Loss) before tax	5,462	4,346	1,113	(395)	(629)	9,897
Income tax expense						(2,228)
Profit for the year						7,669

**A10. CARRYING AMOUNT OF REVALUED ASSETS**

The valuations of property, plant and equipment and concession assets have been brought forward without amendment from the audited financial statements for the financial year ended 31 May 2014.

**A11. SIGNIFICANT SUBSEQUENT EVENTS**

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



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2014

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

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

There were no changes in the composition of the Group during the financial period ended 31 August 2014 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 IDR 1,000,000 each shares representing 60% of the enlarged issued share capital of PT. Ikhwan Mega Power ("PTIMP") for a total cash subscription price of IDR 9 billion (equivalent to approximately RM3.0 million as at 2 May 2013).

The subscription of shares in PTIMP was completed on 26 June 2014. With the completion, PTIMP became an indirect subsidiary of the Company.

- (ii) On 2 July 2014, Gadang Land Sdn Bhd had acquired two (2) ordinary shares of RM1 each representing 100% of the issued and paid-up share capital of Tema Warisan Sdn Bhd ("TWSB") for a total purchase consideration of RM2. With the acquisition, TWSB became an indirect wholly-owned subsidiary of the Company. TWSB is currently dormant company and its intended principal activity shall be property management and maintenance.

- (iii) On 15 August 2014, Gadang Engineering (M) Sdn Bhd acquired 539,001 ordinary shares of RM1 each representing 49% of the issued and paid-up share capital of Era Berkat Sdn Bhd ("Era Berkat"), thereby increasing its interest in Era Berkat to 1,100,002 ordinary shares representing 100% equity interest in Era Berkat. With the acquisition, Era Berkat 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.

#### 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 31 May 2014	214,418
Increase during the period	46,767
As at 31 August 2014	<u>261,185</u>



**GADANG HOLDINGS BERHAD**  
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INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2014

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

**A14. CAPITAL COMMITMENTS**

	<b>As At 31/08/2014 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	18,130
<b>Approved and not contracted for</b>	
- Oil palm plantations development	4,846
	<hr/> <hr/> <b>33,976</b>



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 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**

For the current quarter, the Group posted revenue of RM133.36 million, an increase of 17.55% over the corresponding quarter of the preceding year. The Group's profit before tax increased by 28.40% to RM12.71 million as compared to the corresponding quarter of the preceding year. The increase in revenue and profit before tax was mainly due to higher contributions from construction activities.

Further analysis of the divisional performances is as follows:

UNAUDITED		UNAUDITED		UNAUDITED		UNAUDITED	
INDIVIDUAL QUARTER		INDIVIDUAL QUARTER		CUMULATIVE PERIOD		CUMULATIVE PERIOD	
3 Months Ended 31/08/2014 RM'000	3 Months Ended 31/08/2013 RM'000	3 Months Ended 31/08/2014 RM'000	3 Months Ended 31/08/2013 RM'000	3 Months Ended 31/08/2014 RM'000	3 Months Ended 31/08/2013 RM'000	3 Months Ended 31/08/2014 RM'000	3 Months Ended 31/08/2013 RM'000

**REVENUE**

Construction Division	109,063	89,848	109,063	89,848
Property Division	20,537	19,250	20,537	19,250
Utility Division	3,477	4,268	3,477	4,268
Plantation Division	281	85	281	85
Investment Holding	-	-	-	-
	133,358	113,451	133,358	113,451

**PROFIT BEFORE TAX**

Construction Division	10,317	5,462	10,317	5,462
Property Division	3,706	4,346	3,706	4,346
Utility Division	534	1,113	534	1,113
Plantation Division	(537)	(629)	(537)	(629)
Investment Holding	(1,312)	(395)	(1,312)	(395)
	12,708	9,897	12,708	9,897

**Construction Division**

Revenue for the current quarter increased by 21.39% from RM89.85 million to RM109.06 million as compared to the corresponding quarter of the preceding year. This was mainly due to better contract values achieved and higher progress billings from on-going projects.

Accordingly, higher margins were registered with profit before tax increased by 88.89% to RM10.32 million for the current quarter as compared to RM5.46 million in the corresponding quarter of the preceding year.



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 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**

The Property Division recorded higher revenue of RM20.54 million for the current quarter as compared to RM19.25 million in the corresponding quarter of the preceding year. However, profit before tax decreased by 14.73% to RM3.71 million mainly due to higher marketing costs incurred in the current quarter.

**Utility Division**

Revenue for the current quarter decreased by 18.53% to RM3.48 million as compared to the corresponding quarter of the preceding year mainly due to the disposal of indirect subsidiary, PT Sarana Tirta Rejeki on 21 November 2013 and weakening of Indonesia Rupiah against Ringgit Malaysia, which is the Group's functional currency

In line with this, profit before tax decreased by 52.02% to RM0.53 million for the current quarter.

**Plantation Division**

Revenue for the current quarter increased to RM0.28 million as compared to the corresponding quarter of the preceding year mainly due to more extensive harvesting activities.

In line with this, loss before tax also decreased to RM0.54 million for the current quarter.

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

	UNAUDITED 3 Months Ended 31/08/2014 RM'000	UNAUDITED 3 Months Ended 31/05/2014 RM'000	UNAUDITED 3 Months Ended 31/08/2014 RM'000	UNAUDITED 3 Months Ended 31/05/2014 RM'000
	<b>REVENUE</b>		<b>PROFIT BEFORE TAX</b>	
Construction Division	109,063	119,375	10,317	10,078
Property Division	20,537	14,995	3,706	3,892
Utility Division	3,477	3,921	534	714
Plantation Division	281	459	(537)	(432)
Investment Holding	-	-	(1,312)	(1,342)
	<b>133,358</b>	<b>138,750</b>	<b>12,708</b>	<b>12,910</b>



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

The Group recorded lower revenue of RM133.36 million for the current quarter as compared to RM138.75 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 RM12.91 million in preceding quarter to RM12.71 million in current quarter.

**B3. BUSINESS PROSPECTS**

The Board expects the performance for the current financial year to further improve in tandem with the strong outstanding order book of some RM1.3 billion for the Construction Division as the core revenue generator for the Group. The Group's Property Division shall continue to perform well with a total pipeline Gross Development Value of RM2.0 billion, comprising on-going developments in Cyberjaya, Bandar Puncak Sena township in Kedah, the remaining phases of The Vyne and the Capital City joint development project. The positive contribution from Utility Division is expected to continue.

**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 31/08/2014 RM'000</b>
Income tax expense:	
Malaysian income tax	(2,962)
Foreign income tax	(188)
Deferred tax	84
	<u>(3,066)</u>

The effective tax rate for the Group for the current financial period was lower than the statutory tax rate mainly due to certain subsidiaries have unutilised tax losses and unabsorbed capital allowance to set-off against current taxable profits.



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**B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED**

- (i) 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.

- (ii) On 21 July 2014, the Company had announced that AUPL had on even date entered into a Sale and Purchase of Shares Agreement (“SPSA”) with Nanang Mohamad Sjahbudi, Thomas Luciana and Johannes 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 for a purchase consideration of IDR55 billion (equivalent to approximately RM15.07 million as at 21 July 2014) (“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 as at the date of this report is as follows:-

<b>Purpose</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation as at 31 August 2014 RM'000</b>	<b>Balance unutilised as at 31 August 2014 RM'000</b>	<b>Intended timeframe for utilisation from the date of listing</b>
Investments in Utility	27,295	(5,475)	21,820	Within 24 months
Investments in Plantation	5,000	(600)	4,400	Within 24 months
Expenses relating to the Private Placement	750	(443)	307*	Within 1 month
	33,045	(6,518)	26,527	

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





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#### B8. GROUP BORROWINGS

The details of the Group borrowings are as follows:

	As at 31/08/2014		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	89,234	-	89,234
Long term borrowings	94,743	-	94,743
	<u>183,977</u>	<u>-</u>	<u>183,977</u>

Borrowings denominated in foreign currency:

	Exchange Rate		
	IDR'000	IDR100	RM'000
Indonesian Rupiah (IDR)	<u>854,872</u>	<u>0.0269</u>	<u>230</u>

#### B9. MATERIAL LITIGATION

As at 21 October 2014, 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.

In respect of the financial year ended 31 May 2014, the Board recommended a first and final single tier dividend of 4 sen per share for approval by shareholders at the forthcoming Annual General Meeting and if approved, will be paid on 23 December 2014. The entitlement date for the dividend payment is 28 November 2014.



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**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 31/08/2014</b>	<b>3 Months Ended 31/08/2013</b>	<b>3 Months Ended 31/08/2014</b>	<b>3 Months Ended 31/08/2013</b>
Net profit attributable to ordinary equity holders of the Company (RM'000)	9,537	7,137	9,537	7,137
Number of ordinary shares in issue ('000)	216,369	196,691	216,369	196,691
Basic earnings per share (sen)	<u>4.41</u>	<u>3.63</u>	<u>4.41</u>	<u>3.63</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 31 August 2014, into realised and unrealised profits, pursuant to the directive, is as follows:

	<b>As at 31/08/2014 RM'000</b>	<b>As at 31/08/2013 RM'000</b>
Total retained profits of the Group		
- Realised	118,295	77,778
- Unrealised	(9,964)	(10,351)
Total Group's retained profits as per consolidated account	<u>108,330</u>	<u>67,427</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>Current Quarter 31/08/2014 RM'000</b>	<b>Current Year-to-date 31/08/2014 RM'000</b>
Depreciation and amortisation	3,686	3,686
Finance costs	1,312	1,312
Gain on bargain purchase	(206)	-
Gain on disposal of property, plant and equipment	(196)	(196)
Impairment losses on goodwill	2	2
Impairment losses on tax recoverable	307	307
Interest income	(926)	(926)
Property, plant and equipment written off	1	1
Unrealised loss on foreign exchange	436	436

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  
28 October 2014