



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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016**

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 30/11/2016 RM'000	3 Months Ended 30/11/2015 RM'000	6 Months Ended 30/11/2016 RM'000	6 Months Ended 30/11/2015 RM'000
Revenue	147,883	101,980	252,484	251,362
Cost of sales	(105,485)	(69,829)	(179,594)	(186,856)
<b>Gross profit</b>	42,398	32,151	72,890	64,506
Other income	5,253	3,178	8,770	6,845
Administrative expenses	(4,107)	(4,440)	(10,613)	(9,390)
Depreciation and amortisation	(1,842)	(1,505)	(3,499)	(2,957)
Operating expenses	(4,881)	(3,205)	(8,052)	(6,289)
Other expenses	(10)	(33)	(38)	(113)
Finance costs	(713)	(650)	(1,243)	(1,228)
<b>Profit before tax</b>	36,098	25,496	58,215	51,374
Income tax expense	(8,165)	(7,833)	(13,660)	(12,954)
<b>Net profit for the financial period</b>	27,933	17,663	44,555	38,420
<b>Other comprehensive income:</b>				
Foreign currency translation	4,285	1,155	4,763	4,675
<b>Total comprehensive income for the financial period</b>	32,218	18,818	49,318	43,095
<b>Net profit attributable to:</b>				
Equity holders of the Company	27,905	17,721	44,601	38,583
Non-controlling interests	28	(58)	(46)	(163)
<b>Total comprehensive income attributable to:</b>	27,933	17,663	44,555	38,420
<b>Equity holders of the Company</b>	31,861	18,767	48,996	42,814
<b>Non-controlling interests</b>	357	51	322	281
	32,218	18,818	49,318	43,095
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic (sen)	10.62	7.40	16.97	16.12
Diluted (sen)	N/A	N/A	N/A	N/A

**Notes:**

1) *The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2016.*

2) *Basic earnings per share for the corresponding quarter of the preceding year have been restated by taking into consideration the implementation of share split and bonus issue, which was completed on 28 November 2016.*



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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 NOVEMBER 2016**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 30/11/2016 RM'000</b>	<b>As At 31/05/2016 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Concession assets	64,667	61,313
Property, plant and equipment	68,456	76,424
Biological assets	12,274	12,493
Investment properties	16,916	17,045
Land held for property development	3,884	3,881
Non-trade receivables	2,732	2,360
Other investment	100	100
Goodwill	18,780	17,690
Deferred tax assets	20,455	20,441
	208,264	211,747
<b>Current assets</b>		
Inventories	165	3,353
Property development costs	515,578	484,816
Trade and other receivables	178,248	172,550
Amount due from customers on contracts	36,658	50,753
Current tax assets	4,970	5,324
Short term funds	57,299	106,635
Fixed deposits placed with licensed banks	88,054	86,151
Cash and bank balances	102,686	101,495
	983,658	1,011,077
<b>TOTAL ASSETS</b>	<b>1,191,922</b>	<b>1,222,824</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity Holders of the Company</b>		
Share Capital	323,279	258,623
Reserves	236,715	270,479
	559,994	529,102
<b>Non-controlling interests</b>	7,586	7,264
<b>Total equity</b>	<b>567,580</b>	<b>536,366</b>



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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 NOVEMBER 2016 (Continued)**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 30/11/2016 RM'000</b>	<b>As At 31/05/2016 RM'000</b>
<b>Non-current liabilities</b>		
Bank borrowings	143,271	166,972
Deferred tax liabilities	11,167	11,238
Defined benefit obligations	2,004	1,889
Non-trade payables	130,926	130,927
	<u>287,368</u>	<u>311,026</u>
<b>Current liabilities</b>		
Amount due to customers on contracts	48,649	43,668
Trade and other payables	224,208	254,838
Bank borrowings	37,392	55,849
Current tax liabilities	26,725	21,077
	<u>336,974</u>	<u>375,432</u>
<b>Total liabilities</b>	<u>624,342</u>	<u>686,458</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,191,922</u>	<u>1,222,824</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.87	0.82

**Notes:**

- 1) The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2016.*
- 2) Net assets per share attributable to owners of the Company as at preceding financial year end has been restated by taking into consideration the implementation of share split and bonus issue, which was completed on 28 November 2016.*



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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016**

	← 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 2016</b>	258,623	-	1,347	38,041	(1,158)	232,249	<b>529,102</b>	7,264	<b>536,366</b>
Total comprehensive income	-	-	-	-	4,395	44,601	<b>48,996</b>	322	<b>49,318</b>
Dividend on ordinary shares	-	-	-	-	-	(18,104)	<b>(18,104)</b>	-	<b>(18,104)</b>
Bonus issue of shares	64,656	-	-	(38,041)	-	(26,615)	-	-	-
<b>At 30 November 2016</b>	<b>323,279</b>	-	<b>1,347</b>	-	<b>3,237</b>	<b>232,131</b>	<b>559,994</b>	<b>7,586</b>	<b>567,580</b>



**GADANG HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016 (Continued)**

	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	
<b>(AUDITED)</b>									
<b>At 1 June 2015</b>	216,369	6,173	1,347	12,736	(4,614)	149,345	<b>381,356</b>	7,030	<b>388,386</b>
Effect of adopting FRS119	-	-	-	-	-	6	<b>6</b>	-	<b>6</b>
Total comprehensive income	-	-	-	-	3,440	94,640	<b>98,080</b>	277	<b>98,357</b>
Dividends on ordinary shares	-	-	-	-	-	(11,756)	<b>(11,756)</b>	-	<b>(11,756)</b>
Striking off subsidiary companies	-	-	-	-	16	(16)	-	-	-
Issue of shares	42,254	(5,885)	-	25,305	-	-	<b>61,674</b>	-	<b>61,674</b>
Transfer to retained earning upon expiry of warrants	-	(288)	-	-	-	288	-	-	-
Changes in ownership interest in subsidiary (effects of change in stake)	-	-	-	-	-	(258)	<b>(258)</b>	(43)	<b>(301)</b>
<b>At 31 May 2016</b>	<b>258,623</b>	<b>-</b>	<b>1,347</b>	<b>38,041</b>	<b>(1,158)</b>	<b>232,249</b>	<b>529,102</b>	<b>7,264</b>	<b>536,366</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 2016.*



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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016**

	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>6 Months Ended 30/11/2016 RM'000</b>	<b>6 Months Ended 30/11/2015 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	58,215	51,374
Adjustments for:		
Amortisation of biological assets	345	225
Bad debts written off	6	-
Depreciation of concession assets	1,144	1,097
Depreciation of investment properties	129	126
Depreciation of property, plant and equipment	9,576	11,694
Dividend received from short-term funds	(1,786)	-
Finance costs	1,963	3,201
Gain on disposal of investment property	-	(679)
Gain on disposal of property, plant and equipment	(1,862)	(560)
Increase in liability for defined benefit obligations	115	110
Interest income	(2,032)	(3,057)
Property, plant and equipment written off	-	117
Unrealised gain on foreign exchange	(2,222)	(1,295)
Operating profit before working capital changes	63,591	62,353
Changes in working capital:		
Property development costs	(30,765)	(131,889)
Biological assets	(126)	(249)
Amount due from/(to) customers on contracts	19,076	13,396
Inventories	3,188	(197)
Receivables	(6,077)	49,289
Payables	(30,630)	(21,301)
Net income tax paid	(7,812)	(9,509)
<b>Net Operating Cash Flows</b>	<b>10,445</b>	<b>(38,107)</b>



**GADANG HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016 (Continued)**

	UNAUDITED 6 Months Ended 30/11/2016 RM'000	UNAUDITED 6 Months Ended 30/11/2015 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,638)	(2,108)
Purchase of concession assets	(911)	(7,513)
Investment in subsidiaries	-	(301)
Proceeds from disposal of investment property	-	2,434
Proceeds from disposal of property, plant and equipment	4,199	1,402
Dividend received from short-term fund	1,786	-
Interest received	2,032	3,057
<b>Net Investing Cash Flows</b>	<b>5,468</b>	<b>(3,029)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	111	88,496
Finance costs	(1,963)	(3,201)
Proceeds from issue of shares upon exercise of warrants	-	18,743
Repayment of:		
- bank borrowings	(29,194)	(32,344)
- hire purchase liabilities	(10,511)	(6,090)
Fixed deposits pledged as security values	(3,414)	(1,554)
Dividend paid	(18,104)	-
<b>Net Financing Cash Flows</b>	<b>(63,075)</b>	<b>64,050</b>
Net change in cash and cash equivalents	(47,162)	22,914
Effect of exchange rate changes	3,628	1,635
Cash and cash equivalents at the beginning of the financial period	232,504	170,098
Cash and cash equivalents at the end of the financial period	<b>188,970</b>	<b>194,647</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and bank balances	102,686	82,323
Short term funds	57,299	56,316
Fixed deposits placed with licensed banks	88,054	123,117
Bank overdrafts	-	(7,453)
	<b>248,039</b>	<b>254,303</b>
Less: Fixed deposits pledged as security values	(59,069)	(59,656)
<b>Total</b>	<b>188,970</b>	<b>194,647</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 2016.*



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2016**

**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 2016. 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 2016.

**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 2016, except for the changes arising from the adoption of amendments/improvements to FRSs that are effective for financial period beginning 1 June 2016 as follows:

Amendments/Improvements to FRSs

FRS 5	Non-current Assets Held for Sale and Discontinued Operations [Annual Improvements to FRSs 2012-2014 Cycle]
FRS 7	Financial Instruments: Disclosures [Annual Improvements to FRSs 2012-2014 Cycle]
FRS 10	Consolidated Financial Statements [Investment Entities: Applying the Consolidation Exception]
FRS 11	Joint Arrangements [Accounting for Acquisitions of Interests in Joint Operations]
FRS 12	Disclosures of Interests in Other Entities [Investment Entities: Applying the Consolidation Exception]
FRS 14	Regulatory Deferral Accounts
FRS 101	Presentations of Financial Statements [Disclosure Initiative]
FRS 116	Property, Plant and Equipment [Clarification of Acceptable Methods of Depreciation and Amortisation]
FRS 119	Employee Benefits [Annual Improvements to FRSs 2012-2014 Cycle]
FRS 127	Separate Financial Statements [Equity Method in Separate Financial Statements]
FRS 128	Investment in Associates and Joint Venture [Investment Entities: Applying the Consolidation Exception]
FRS 134	Interim Financial Reporting [Annual Improvements to FRSs 2012-2014 Cycle]
FRS 138	Intangible Assets [Clarification of Acceptable Methods of Depreciation and Amortisation]

The adoption of these amendments/improvements to FRSs do not have a material impact on the financial statements of the Group.





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**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2016**

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

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

**FRSs, Amendments/Improvements to FRSs and IC Interpretations issued but not yet effective**

<b>Standard</b>	<b>Title</b>	<b>Effective Date</b>
FRS 2	Shared-based Payment [Classification and Measurement of Share-based Payment Transactions]	1 January 2018
FRS 9	Financial Instruments [IFRS 9 as issued by IASB in July 2014]	1 January 2018
FRS 10	Consolidated Financial Statements [Sale or Contribution of Assets between an Investor and its Associate or Joint Venture]	Deferred
FRS 12	Disclosure of Interest in Other Entities [Annual Improvements to FRSs 2014-2016 Cycle]	1 January 2017
FRS 107	Statements of Cash Flows [Disclosure Initiative]	1 January 2017
FRS 112	Income Taxes [Recognition of Deferred Tax Assets for Unrealised Losses]	1 January 2017
FRS 128	Investment Entities [Applying the Consolidation Exception]	Deferred
<u>IC Interpretations</u>		
IC 22	Foreign Currency Transactions and Advance Construction	1 January 2018

The Group will apply the above FRSs, amendments/improvement to FRSs and IC interpretations that are applicable once they become effective. The adoption of the above FRSs, amendments/improvement to FRSs and IC interpretations is not expected to have any material impact on the financial statements of the Group.

**Malaysian Financial Reporting Standards ("MFRSs")**

Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; 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").

As further announced by MASB on 28 October 2015, the Transitioning Entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

Accordingly, as a Transitioning Entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRSs financial statements for the financial year ending 31 May 2019. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

**A3. AUDIT REPORT**

The auditors' report on the Group's annual financial statements for the financial year ended 31 May 2016 was not subject to any audit qualification.

**A4. SEASONAL OR CYCLICAL FACTORS**

The operations of the Group are not significantly affected by any seasonal or cyclical factors.



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**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2016**

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

**A5. UNUSUAL SIGNIFICANT ITEMS**

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

**A6. CHANGES IN ESTIMATES**

There were no major changes in estimates that have any material effect in the current quarter under review.

**A7. DEBT AND EQUITY SECURITIES**

On 28 November 2016, the Company completed a share split involving the subdivision of every one (1) existing share of RM1.00 each into two (2) ordinary shares of RM0.50 each ("Subdivided Share(s)").

During the second quarter ended 30 November 2016, the Company increased its issued and paid-up share capital from RM258,623,378 to RM323,279,222.50 by the issuance of 129,311,689 new Subdivided Shares pursuant to the bonus issue on the basis of one (1) new ordinary share for every four (4) Subdivided Shares held, by capitalizing the retained profits and share premium.

Save as disclosed above, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter under review.

**A8. DIVIDEND PAID**

At the Company's Annual General Meeting held on 3 November 2016, the shareholders of the Company approved the first and final single tier dividend of 7 sen per share in respect of the financial year ended 31 May 2016. The Company paid the first and final dividend on 25 November 2016.



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2016**

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

**A9. SEGMENTAL REPORTING**

**6 months ended 30 November 2016 (Current Financial Period)**

	<b>Construction Division RM'000</b>	<b>Property Division RM'000</b>	<b>Utility Division RM'000</b>	<b>Plantation Division RM'000</b>	<b>Investment Holding RM'000</b>	<b>Consolidated RM'000</b>
<b>30 November 2016</b>						
<b>Revenue</b>	115,195	124,201	11,577	1,511	-	252,484
<b>Results</b>						
Segment results	24,178	33,188	3,930	(630)	(1,208)	59,458
Finance costs	(397)	(558)	(283)	(5)	-	(1,243)
Profit /(Loss) before tax	23,781	32,630	3,647	(635)	(1,208)	58,215
Income tax expense						(13,660)
Profit for the financial period						44,555

**6 months ended 30 November 2015 (Previous Financial Period)**

	<b>Construction Division RM'000</b>	<b>Property Division RM'000</b>	<b>Utility Division RM'000</b>	<b>Plantation Division RM'000</b>	<b>Investment Holding RM'000</b>	<b>Consolidated RM'000</b>
<b>30 November 2015</b>						
<b>Revenue</b>	177,861	62,061	10,514	926	-	251,362
<b>Results</b>						
Segment results	28,581	23,009	2,267	(786)	(469)	52,602
Finance costs	(338)	(652)	(228)	(10)	-	(1,228)
Profit /(Loss) before tax	28,243	22,357	2,039	(796)	(469)	51,374
Income tax expense						(12,954)
Profit for the financial period						38,420

**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 2016.



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2016**

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

**A11. SIGNIFICANT SUBSEQUENT EVENT**

1. On 5 December 2016, the Bonus Issue of Warrants was completed with the listing of and quotation for 129,311,689 Warrants on the Main Market of Bursa Malaysia Securities Berhad.
2. On 6 December 2016, the Company announced its effective date for the implementation of the Employees' Share Option Scheme.
3. On 15 December 2016, the Company announced that RUSB - BTS Joint Consortium, a joint venture comprising Regional Utilities Sdn Bhd ("RUSB"), its wholly-owned subsidiary and BT Solar Sdn Bhd ("BTS"), had accepted the Letter of Acceptance of Offer from the Energy Commission ("EC") dated 15 December 2016 for the development of a Large Scale Solar PV Plant of 5.9 MWa.c. in Kota Marudu, Sabah.
4. On 11 January 2017, the Company announced that Tema Warisan Sdn Bhd, an indirect wholly-owned subsidiary entered into a joint venture agreement with Perikatan Progresif Sdn Bhd to jointly develop a parcel of leasehold residential land measuring approximately 17.5 acres in Taman Putra Perdana, Puchong.
5. On 18 January 2017, the Company announced that Elegance Sonata Sdn Bhd, a wholly-owned subsidiary of Gadang Land Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, had entered into a Development Rights Agreement with Kwasa Development (3) Sdn Bhd for the proposed residential development identified as Plot R3-1 in the Kwasa Damansara Township, Selangor.

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

There were no changes in the composition of the Group for the current quarter under review.

**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 August 2016	449,331
Decrease during the period	(13,253)
As at 30 November 2016	<u>436,078</u>

**A14. CAPITAL COMMITMENTS**

	<b>As At 30/11/2016 RM'000</b>
<b>Approved but not contracted for</b>	
- Oil palm plantations development	250
	<u>250</u>



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2016**

**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 RM147.88 million as compared to RM101.98 million in the corresponding quarter of the preceding year. The Group's profit before tax increased to RM36.10 million as compared to RM25.50 million in the corresponding quarter of the preceding year.

For the current year to date, revenue increased marginally to RM252.48 million. Profit before tax increased by 13.32% to RM58.22 million. The increase in profit before tax was mainly due to improved profit margins from construction activities and higher contributions from property division.

Tabulated below is the various divisional contributions:-

UNAUDITED		UNAUDITED		UNAUDITED		UNAUDITED	
INDIVIDUAL QUARTER				CUMULATIVE PERIOD			
3 Months		3 Months		6 Months		6 Months	
Ended		Ended		Ended		Ended	
30/11/2016		30/11/2015		30/11/2016		30/11/2015	
RM'000		RM'000		RM'000		RM'000	

**REVENUE**

Construction Division	73,057	72,118	115,195	177,861
Property Division	68,038	23,906	124,201	62,061
Utility Division	6,026	5,490	11,577	10,514
Plantation Division	762	466	1,511	926
Investment Holding	-	-	-	-
	<u>147,883</u>	<u>101,980</u>	<u>252,484</u>	<u>251,362</u>

**PROFIT/(LOSS) BEFORE TAX**

Construction Division	15,369	19,943	23,781	28,243
Property Division	19,181	5,707	32,630	22,357
Utility Division	1,784	974	3,647	2,039
Plantation Division	(262)	(404)	(635)	(796)
Investment Holding	26	(724)	(1,208)	(469)
	<u>36,098</u>	<u>25,496</u>	<u>58,215</u>	<u>51,374</u>

**Construction Division**

For the current quarter, revenue increased marginally to RM73.06 million as compared to RM72.12 million in the corresponding quarter of the preceding year. Profit before tax for the current quarter decreased to RM15.37 million as compared to RM19.94 million in the corresponding quarter of the preceding year.

Revenue for the current year to date decreased by 35.23% to RM115.20 million as compared to RM177.86 million recorded in the preceding year to date. Profit before tax decreased by 15.80% to RM23.78 million in the current year to date. This was mainly due to the completion of some projects in FYE 2016.



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

**Property Division**

For the current quarter, revenue increased strongly to RM68.04 million as compared to RM23.91 million in the corresponding quarter of the preceding year. Profit before tax increased to RM19.18 million as compared to RM5.71 million in the corresponding quarter of the preceding year.

Revenue for the current year to date raised from RM62.06 million to RM124.20 million. In tandem with this, profit before tax increased from RM22.36 million to RM32.63 million. This was mainly due to higher development progress and fast completion for the various better margins on-going projects.

**Utility Division**

Revenue for the current quarter and year to date increased by 9.76% and 10.11% respectively as compared to the corresponding quarter of the preceding year. Profit before tax for the current quarter and year to date increased 83.16% and 78.86% respectively to RM1.78 million and RM3.65 million as compared to the corresponding quarter of the preceding year. This was mainly due to improved operating margins and cost reduction initiatives.

**Plantation Division**

Revenue for the current quarter and year to date increased to RM0.76 million and RM1.51 million respectively as compared to the corresponding quarter of the preceding year. This was mainly due to higher harvesting activities. Loss before tax for the current quarter and year to date decreased to RM0.26 million and RM0.64 million respectively as compared to the corresponding quarter of the preceding year.

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

	UNAUDITED 3 Months Ended 30/11/2016 RM'000	UNAUDITED 3 Months Ended 31/08/2016 RM'000	UNAUDITED 3 Months Ended 30/11/2016 RM'000	UNAUDITED 3 Months Ended 31/08/2016 RM'000
	<b>REVENUE</b>		<b>PROFIT BEFORE TAX</b>	
Construction Division	73,057	42,137	15,369	8,412
Property Division	68,038	56,163	19,181	13,449
Utility Division	6,026	5,551	1,784	1,863
Plantation Division	762	749	(262)	(373)
Investment Holding	-	-	26	(1,234)
	147,883	104,600	36,098	22,117

The Group recorded higher revenue of RM147.88 million for the current quarter as compared to RM104.60 million in the preceding quarter mainly due to higher work progress from existing construction and property activities. In line with this, the Group's profit before tax increased from RM22.12 million in the preceding quarter to RM36.10 million in the current quarter.



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#### B3. BUSINESS PROSPECTS

The Board is mindful of the more challenging market condition moving forward and has accordingly instituted appropriate prudent measures to ensure the Group's performance is sustainable as follows:-

- (i) **Construction Division**  
This division is selectively bidding for new contracts involving Government's infrastructure and building projects. On-going projects are being reviewed to optimise cost savings and design effectiveness. Current outstanding order book stands at some RM527.2 million.
- (ii) **Property Division**  
Development focus is on affordable homes for the current financial year, in line with the slower market demand. To-date, positive results are being achieved in securing joint ventures with land owners to reduce land cost impact on overall project viability. Unbilled sales registered some RM187.2 million in value.
- (iii) **Utility Division**  
The stable recurring income from the four water treatment operations is expected to increase with fresh negotiation for more attractive tariff rates during the financial year. The mini hydro project of 9MW is still under construction phase and is not expected to generate revenue until FYE 2018.
- (iv) **Plantation Division**  
Higher production yield is expected with more maturing acreage coming on stream during this financial year. Relevant cost rationalization in operating cost to improve on harvesting productivity has been implemented.

#### 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 30/11/2016 RM'000</b>	<b>6 Months Ended 30/11/2016 RM'000</b>
Income tax expense:		
Malaysian income tax	(7,732)	(12,743)
Foreign income tax	(482)	(1,011)
 Deferred tax	 49	 94
	<u>(8,165)</u>	<u>(13,660)</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**

On 25 August 2016, the Company announced that it proposed to undertake the following:-

- (i) proposed share split involving the subdivision of every one (1) ordinary share of RM1.00 each in the Company (“Existing Share(s)”) into two (2) ordinary shares of RM0.50 each in the Company (“Subdivided Share(s)”) by the entitled shareholders of the Company whose names appear in the Record of Depositors (“Entitled Shareholders”) on an entitlement date to be determined and announced later (“Entitlement Date”) (“Proposed Share Split”);
- (ii) proposed bonus issue of 129,311,689 new Subdivided Shares (“Bonus Share(s)”) on the basis of one (1) Bonus Share for every four (4) Subdivided Shares held by the Entitled Shareholders on the Entitlement Date after the completion of the Proposed Share Split;
- (iii) proposed bonus issue of 129,311,689 warrants (“Warrant(s)”) on the basis of one (1) Warrant for every four (4) Subdivided Shares held by the Entitled Shareholders on the Entitlement Date after the completion of the Proposed Share Split;
- (iv) proposed establishment of an Employees’ Share Option Scheme (“ESOS”) of up to fifteen percent (15%) of the issued and paid-up share capital of the Company (excluding treasury shares) at any point in time to be granted to the eligible Directors and employees of the Company and its subsidiaries which are not dormant;
- (v) proposed increase in authorised share capital of the Company from RM400,000,000 comprising 400,000,000 Existing Shares to RM500,000,000 comprising 1,000,000,000 Subdivided Shares (“Proposed Increase in Authorised Share Capital”); and
- (vi) proposed amendments to the Memorandum and Articles of Association of the Company as a consequence of the Proposed Share Split and Proposed Increase in Authorised Share Capital.

(collectively referred to as the “Proposals”)

Bursa Malaysia Securities Berhad (“Bursa Securities”) vide its letter dated 29 September 2016 approved the Proposed Share Split; listing and quotation for the Bonus Issue of Shares; admission to the Official List and listing and quotation for the Bonus Issue of Warrants as well as the listing of such number of additional new ordinary shares to be issued pursuant to the exercise of the Warrants and the options under the Proposed ESOS.

On 3 November 2016, the shareholders of the Company approved the Proposals at an Extraordinary General Meeting held. Subsequently, the Company announced on 11 November 2016 that the Deed Poll had been duly executed on 11 November 2016, the exercise price of the Warrants had been fixed at RM1.06 per Warrant and that the entitlement date for the Share Split, Bonus Issue of Shares and Bonus Issue of Warrants had been fixed as at the close of business on 25 November 2016.

The Share Split and Bonus Issue of Shares were completed on 28 November 2016 with the listing of and quotation for 517,246,756 Subdivided Shares and 129,311,689 Bonus Shares on the Main Market of Bursa Securities. The Bonus Issue of Warrants was completed on 5 December 2016 with the listing of and quotation for 129,311,689 Warrants on the Main Market of Bursa Securities and the effective date for the implementation of the ESOS was fixed on 6 December 2016.





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**B7. UTILISATION OF PROCEEDS**

The status of the utilisation of proceeds of RM43,495,350 raised from the Private Placement in 2016 as at the date of this report is as follows: -

Purpose	Proposed utilisation RM'000	Actual utilisation as at 30 November 2016 RM'000	Balance unutilised as at 30 November 2016 RM'000	Intended timeframe for utilisation from the date of listing
Investments in Property Division	42,795	(39,000)	3,795	Within 24 months
Expenses relating to the Private Placement	700	(700)*	-	Within 1 month
	43,495	(39,700)	3,795	

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

**B8. GROUP BORROWINGS**

The details of the Group borrowings are as follows:

	As at 30/11/2016		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	37,392	-	37,392
Long term borrowings	143,271	-	143,271
	180,663	-	180,663
Currency denominations:			
Ringgit Malaysia	166,262	-	166,262
United States Dollar	12,456	-	12,456
Indonesian Rupiah	1,945	-	1,945
	180,663	-	180,663

**B9. MATERIAL LITIGATION**

As at 18 January 2017, 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.



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#### B10. DIVIDEND

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

#### B11. EARNINGS PER SHARE

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

The basic earnings per share has been calculated by dividing the net profit for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 30/11/2016	3 Months Ended 30/11/2015	6 Months Ended 30/11/2016	6 Months Ended 30/11/2015
Net profit attributable to ordinary equity holders of the Company (RM'000)	27,905	17,721	44,601	38,583
Weighted average number of ordinary shares in issue ('000)	262,863	239,352	262,863	239,352
Basic earnings per share (sen)	<u>10.62</u>	<u>7.40</u>	<u>16.97</u>	<u>16.12</u>

##### (b) Diluted earnings per share

There is no dilution effect to the earnings per share for the current financial period as the Warrants 2010/2015 have expired on 29 September 2015.



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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 30 November 2016, into realised and unrealised profits, pursuant to the directive, is as follows:

	<b>As at 30/11/2016 RM'000</b>	<b>As at 30/11/2015 RM'000</b>
Total retained profits of the Group		
- Realised	220,621	181,857
- Unrealised	11,510	(5,671)
Total Group's retained profits as per consolidated account	<u>232,131</u>	<u>176,186</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 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

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

	<b>Current Quarter 30/11/2016 RM'000</b>	<b>Current Year-to-date 30/11/2016 RM'000</b>
Depreciation of property, plant and equipment	3,791	7,694
Finance costs	284	720

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

	<b>Current Quarter 30/11/2016 RM'000</b>	<b>Current Year-to-date 30/11/2016 RM'000</b>
Bad debts written off	-	6
Dividend received from short-term funds	(978)	(1,786)
Depreciation and amortisation	1,842	3,500
Finance costs	713	1,243
Gain on disposal of property, plant and equipment	(874)	(1,862)
Interest income	(873)	(2,032)
Unrealised (gain)/loss on foreign exchange	(1,980)	(2,222)

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

BY ORDER OF THE BOARD  
Tan Seok Chung  
Company Secretary  
25 January 2017