



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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2013**

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/08/2013 RM'000	Preceding Year Quarter 31/08/2012 RM'000	Current Year-to-date 31/08/2013 RM'000	Preceding Year-to-date 31/08/2012 RM'000
Revenue	113,451	47,268	113,451	47,268
Cost of sales	(97,007)	(38,716)	(97,007)	(38,716)
<b>Gross profit</b>	<b>16,444</b>	<b>8,552</b>	<b>16,444</b>	<b>8,552</b>
Other income	1,954	2,172	1,954	2,172
Administrative expenses	(3,595)	(2,986)	(3,595)	(2,986)
Other expenses	(4,374)	(3,413)	(4,374)	(3,413)
Finance costs	(532)	(617)	(532)	(617)
<b>Profit before tax</b>	<b>9,897</b>	<b>3,708</b>	<b>9,897</b>	<b>3,708</b>
Income tax expense	(2,228)	(704)	(2,228)	(704)
<b>Net profit for the financial period</b>	<b>7,669</b>	<b>3,004</b>	<b>7,669</b>	<b>3,004</b>
<b>Other comprehensive income:</b>				
Foreign currency translation	699	(377)	699	(377)
<b>Total comprehensive income for the financial period</b>	<b>8,368</b>	<b>2,627</b>	<b>8,368</b>	<b>2,627</b>
<b>Net profit attributable to:</b>				
Equity holders of the Company	7,137	2,527	7,137	2,527
Non-controlling interests	532	477	532	477
	<b>7,669</b>	<b>3,004</b>	<b>7,669</b>	<b>3,004</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	7,911	2,189	7,911	2,189
Non-controlling interests	457	438	457	438
	<b>8,368</b>	<b>2,627</b>	<b>8,368</b>	<b>2,627</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic (sen)	3.63	1.28	3.63	1.28

*The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2013*



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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 AUGUST 2013**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 31/08/2013 RM'000</b>	<b>As At 31/05/2013 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	68,624	64,492
Biological assets	10,951	10,643
Investment properties	25,320	25,347
Concession assets	30,400	31,026
Other investment	163	163
Goodwill	10,423	10,423
Deferred tax assets	3,809	3,812
Non-trade receivables	523	503
	150,213	146,409
<b>Current assets</b>		
Property development costs	137,624	140,204
Amount due from customers on contracts	11,971	35,501
Inventories	1,054	1,008
Trade and other receivables	57,251	45,035
Tax recoverable	3,256	2,987
Fixed deposits placed with licensed banks	58,994	53,548
Cash and bank balances	97,839	83,016
	367,989	361,299
Assets classified as held for sale	2,958	3,058
<b>TOTAL ASSETS</b>	521,160	510,766
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity Holders of the Company</b>		
Share Capital	196,691	196,691
Reserves	72,336	65,898
	269,027	262,589
<b>Non-controlling interests</b>	4,299	3,842
<b>Total equity</b>	273,326	266,431



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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2013 (Continued)**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 31/08/2013 RM'000</b>	<b>As At 31/05/2013 RM'000</b>
<b>Non-current liabilities</b>		
Non-trade payables	11,550	11,550
Bank borrowings	59,776	56,482
Deferred tax liabilities	14,160	14,502
Defined benefit obligations	1,129	1,186
	<u>86,615</u>	<u>83,720</u>
<b>Current liabilities</b>		
Trade and other payables	102,659	110,379
Amount due to customers on contracts	9,744	18,800
Bank borrowings	43,553	26,603
Current tax liabilities	4,365	3,903
	<u>160,321</u>	<u>159,685</u>
Liabilities classified as held for sale	898	930
<b>Total liabilities</b>	<u>247,834</u>	<u>244,335</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>521,160</u>	<u>510,766</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.37	1.34

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2013.*



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2013

	← Attributable to Equity Holders of the Company →							
	← Non-Distributable →							
	Share Capital RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Profits RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
<b>(UNAUDITED)</b>								
<b>At 1 June 2013</b>	196,691	6,176	1,347	(1,915)	60,290	262,589	3,842	266,431
Total comprehensive income	-	-	-	(699)	7,137	6,438	457	6,895
<b>At 31 August 2013</b>	196,691	6,176	1,347	(2,614)	67,427	269,027	4,299	273,326
<b>(AUDITED)</b>								
<b>At 1 June 2012</b>	196,691	6,176	1,347	(1,135)	42,771	245,850	3,735	249,585
Total comprehensive income	-	-	-	(780)	20,469	19,689	107	19,796
Dividends on ordinary shares	-	-	-	-	(2,950)	(2,950)	-	(2,950)
<b>At 31 May 2013</b>	196,691	6,176	1,347	(1,915)	60,290	262,589	3,842	266,431

*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 2013.*



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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2013**

	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>Current Year-to-date 31/08/2013 RM'000</b>	<b>Preceding Year-to-date 31/08/2012 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	9,897	3,708
Adjustments for:		
Amortisation of biological asset	75	-
Depreciation of concession assets	386	356
Depreciation of property, plant and equipment	734	681
Gain on disposal of property, plant and equipment	(69)	(73)
Impairment losses on assets held for sale	191	-
Increase in liability for defined benefit obligations	(57)	(36)
Finance costs	532	617
Interest income	(751)	(129)
Property, plant and equipment written off	61	-
Operating profit before working capital changes	10,999	5,124
Changes in working capital:		
Property development costs	2,580	(1,839)
Biological assets	(383)	(517)
Amount due from/(to) customers on contracts	18,267	24,414
Inventories	(46)	(122)
Receivables	(12,236)	15,197
Payables	(7,720)	(12,530)
Assets held for sale	(123)	-
Income tax paid	(2,300)	(279)
<b>Net Operating Cash Flows</b>	<b>9,038</b>	<b>29,448</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(5,281)	(445)
Purchase of concession assets	(189)	217
Proceeds from disposal of property, plant and equipment	69	353
Interest received	751	129
<b>Net Investing Cash Flows</b>	<b>(4,650)</b>	<b>254</b>



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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2013 (Continued)**

	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>Current Year-to-date 31/08/2013 RM'000</b>	<b>Preceding Year-to-date 31/08/2012 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	18,305	-
Repayment of bank borrowings	(3,765)	(2,205)
Fixed deposits pledged as security values	(6,257)	(2,775)
Finance costs	(532)	(617)
Repayment of hire purchase liabilities	(410)	(854)
<b>Net Financing Cash Flows</b>	<b>7,341</b>	<b>(6,451)</b>
Net change in cash and cash equivalents	11,729	23,251
Effect of exchange rate changes	(147)	(338)
Cash and cash equivalents at the beginning of the financial period	95,351	1,657
Cash and cash equivalents at the end of the financial period	<u>106,933</u>	<u>24,570</u>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and bank balances	97,839	22,471
Fixed deposits placed with licensed banks	58,994	41,154
Bank overdrafts	(4,177)	(2,420)
	<u>152,656</u>	<u>61,205</u>
Less: Fixed deposits pledged as security values	<u>(45,723)</u>	<u>(36,635)</u>
<b>Total</b>	<b><u>106,933</u></b>	<b><u>24,570</u></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 2013.*



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2013

#### 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 2013. 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 2013.

##### 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 2013, except for the changes arising from the adoption of new Financial Reporting Standards ("FRSs"), amendments/improvements to FRSs, IC Interpretations ("IC Int") and amendments to IC Int that are effective for financial period beginning 1 June 2013 as follows:

###### New FRSs

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Instruments
FRS 128	Investment in Associated and Joint Ventures

###### Amendments/Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards – Government loans
FRS 1	First-time Adoption of Financial Reporting Standards [Improvement to FRSs (2012)]
FRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
FRS 10	Consolidated Financial Statements: Transition Guidance
FRS 11	Joint Arrangements: Transition Guidance
FRS 12	Disclosure of Interest in Other Entities: Transition Guidance
FRS 101	Presentation of Financial Statements [Improvement to FRSs (2012)]
FRS 116	Property, plant and equipment [Improvement to FRSs (2012)]
FRS 132	Financial Instruments: Presentation [Improvement to FRSs (2012)]
FRS 134	Interim Financial Reporting [Improvement to FRSs (2012)]

###### IC Int

IC Int 20	Stripping Costs in the Production Phase of a Surface Mine
-----------	---

###### Amendments to IC Int

IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments [Improvement to FRSs (2012)]
----------	---



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

**INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2013**

**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, IC Int and amendments to 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.

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 2015. 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 2014 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 2015.

**A3. AUDIT REPORT**

The auditors' report on the Group's annual financial statements for the financial year ended 31 May 2013 was not subject to any audit qualification.

**A4. SEASONAL OR CYCLICAL FACTORS**

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





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

**INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2013**

**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 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 issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

**A8. DIVIDEND PAID**

There was no payment of dividend in the current quarter.

**A9. SEGMENTAL REPORTING**

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

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Plantation Division RM'000	Consolidated RM'000
<b>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



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

**INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2013**

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

**A9. SEGMENTAL REPORTING (Continued)**

**3 months ended 31 August 2012 (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 2012</b>						
<b>Revenue</b>	<u>36,361</u>	<u>6,446</u>	<u>4,461</u>	<u>-</u>	<u>-</u>	<u>47,268</u>
<b>Results</b>						
Segment results	1,716	1,102	1,532	92	(117)	4,325
Finance costs	<u>(354)</u>	<u>(104)</u>	<u>(92)</u>	<u>(63)</u>	<u>(4)</u>	<u>(617)</u>
Profit/(Loss) before tax	1,362	998	1,440	29	(121)	3,708
Income tax expense						<u>(704)</u>
Profit for the year						<u>3,004</u>

**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 2013.

**A11. SIGNIFICANT SUBSEQUENT EVENT**

There was no significant subsequent event to the end of the quarter under review.

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

There were no changes in the composition of the Group for the current quarter ended 31 August 2013.



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2013

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

#### 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 2013	287,238
Increase during the period	19,733
As at 31 August 2013	<u>306,971</u>

#### A14. CAPITAL COMMITMENTS

	<b>As At 31/08/2013 RM'000</b>
<b>Approved and contracted for</b>	
- Balance of purchase consideration for property acquisition per Sale and Purchase Agreement	13,000
<b>Approved and not contracted for</b>	
- Oil palm plantations development	7,860
	<u>20,860</u>



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

**INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2013**

**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**

The Group registered revenue of RM113.45 million for the current period ended 31 August 2013 ("1Q14") as compared to RM47.27 million in the previous corresponding period ended 31 August 2012 ("1Q13"), an increase of 140.01%. The increase in revenue was a result of higher contributions from construction and property activities.

In line with the above, the Group registered a higher profit before tax of RM9.90 million in 1Q14 as compared to RM3.71 million in 1Q13.

Further analysis of the divisional performances is as follows:

**Construction Division**

	<b>Current Year-to-date 31/08/2013 RM'000</b>	<b>Preceding Year-to-date 31/08/2012 RM'000</b>
Revenue	89,848	36,361
Profit before tax	5,462	1,362

The Construction Division recorded higher revenue of RM89.85 million in 1Q14 as compared to RM36.36 million in 1Q13 mainly due to higher progress billings from substantially larger on-going projects.

In line with the above, the Construction Division recorded a profit before tax of RM5.46 million for 1Q14 as compared to RM1.36 million for 1Q13.

**Property Division**

	<b>Current Year-to-date 31/08/2013 RM'000</b>	<b>Preceding Year-to-date 31/08/2012 RM'000</b>
Revenue	19,250	6,446
Profit before tax	4,346	998

The Property Division recorded an increase in turnover from RM6.45 million in 1Q13 to RM19.25 million in 1Q14 mainly due to the higher sales achieved for the commercial and residential project located in Tampoi.

In this regard, the profit before tax increased substantially from RM1.00 million in 1Q13 to RM4.35 million in 1Q14.



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

**INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2013**

**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)**

**Utility Division**

	<b>Current Year-to-date 31/08/2013 RM'000</b>	<b>Preceding Year-to-date 31/08/2012 RM'000</b>
Revenue	4,268	4,461
Profit before tax	1,113	1,440

The revenue from the Utility Division decreased marginally by 4.26% from RM4.46 million for 1Q13 to RM4.27 million for 1Q14. This decrease of the revenue was mainly due to the weakening of Indonesia Rupiah against Ringgit Malaysia, which is the Group's functional currency.

In line with the above, the profit before tax also decreased from RM1.44 million for 1Q13 to RM1.11 million for 1Q14.

**Plantation Division**

	<b>Current Year-to-date 31/08/2013 RM'000</b>	<b>Preceding Year-to-date 31/08/2012 RM'000</b>
Revenue	85	-
Loss before tax	(629)	(121)

The oil palm trees planted in 2009 have matured and harvesting had commenced in the preceding quarter ended 31 May 2013. The loss before tax of RM0.63 million in 1Q14 was higher as compared to RM0.12 million in 1Q13 mainly due to the amortisation of its planting expenditure capitalised under biological asset.

**B2. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS FOR CURRENT QUARTER AS COMPARED TO PRECEDING QUARTER.**

	<b>Current Quarter 31/08/2013 RM'000</b>	<b>Preceding Quarter 31/05/2013 RM'000</b>
Revenue	113,451	97,329
Profit before tax	9,897	5,915

The Group recorded higher revenue of RM113.45 million for the current quarter as compared to RM97.33 million in preceding quarter. The reasons for the higher revenue were attributed by better sales generated from the commercial and residential project located in Tampoi and higher progress billings from existing construction projects.

In line with the above, the Group's profit before tax increased from RM5.92 million in preceding quarter to RM9.90 million in current quarter.



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

INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2013

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

**B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR**

The Board expects the performance for the current financial year to further improve in tandem with the strong outstanding order book of some RM1.40 billion for the Construction Division as the core revenue generator for the Group. The Group's Property Division shall continue to perform well with approximately RM425.0 million worth of property launches planned, together with good progress in its on-going property project activities. The positive contribution from the 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>Current Quarter 31/08/2013 RM'000</b>	<b>Current Year-to-date 31/08/2013 RM'000</b>
Current tax:		
Malaysian income tax	2,157	2,157
Foreign income tax	335	335
Deferred tax	(264)	(264)
	<u>2,228</u>	<u>2,228</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 allowances to set-off against current taxable profits.

**B6. STATUS OF CORPORATE PROPOSAL ANNOUNCED**

(i) Proposed Subscription of 60% equity interest in PT. Ikhwan Mega Power

On 2 May 2013, the Company announced that Asian Utilities Pte Ltd ("AUPL") had on even date entered into a Shares Subscription Agreement ("SSA") with PT. Ikhwan Power Indonesia ("PTIPI"), PT. Megatama Powerindo ("PTMP") and PT. Ikhwan Mega Power ("PTIMP") to subscribe for 9,000 new shares of Indonesian Rupiah (IDR) 1,000,000 each ("Shares") representing 60% of the enlarged issued share capital of PTIMP for a total cash consideration price of IDR 9 billion (equivalent to about RM3.0 million) ("Proposed Subscription").

The Proposed Subscription is yet to be completed pending the fulfillment of certain conditions precedent as stipulated in the SSA.



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

INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2013

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

**B6. STATUS OF CORPORATE PROPOSAL ANNOUNCED (Continued)**

- (ii) Disposal of 65% equity interest in PT. Sarana Catur Tirtakelola (“SCTK”) and 10% equity interest in PT. Sarana Tirta Rejeki (“STR”)

On 16 July 2013, the Company announced that AUPL had on even date entered into a Conditional Sales and Purchase of Shares Agreement (“SPA”) with Hj. Ratna Dewi Panduwinata (“the Purchaser”) to dispose of 5,800 shares representing its entire 65% equity interest in PT. Sarana Catur Tirtakelola (“SCTK”) and 700 shares representing its entire 10% equity interest in PT. Sarana Tirta Rejeki (“STR”), for a total consideration of IDR 6.5 billion (equivalent approximately RM2.1 million) (“Proposed Disposal”).

The Proposed Disposal is yet to be completed pending the approval of the relevant authorities in Indonesia.

**B7. GROUP BORROWINGS**

The details of the Group borrowings are as follows:

	Current Year-to-date (31/08/2013)		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	43,553	-	43,553
Long term borrowings	59,776	-	59,776
	<u>103,329</u>	<u>-</u>	<u>103,329</u>

Borrowings denominated in foreign currency:

	Exchange Rate		
	IDR'000	IDR100	RM'000
Indonesian Rupiah (IDR)	<u>3,678,787</u>	<u>0.0301</u>	<u>1,107</u>

**B8. MATERIAL LITIGATION**

As at 17 October 2013, 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.

**B9. DIVIDEND**

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

In respect of the financial year ended 31 May 2013, the Board has proposed a first and final dividend of 3 sen per share less 25% income tax for approval by shareholders at the forthcoming Annual General Meeting. The entitlement date and the payment date of the proposed first and final dividend shall be announced later.



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

**INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2013**

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

**B10. 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>Current Year Quarter 31/08/2013</b>	<b>Preceding Year Quarter 31/08/2012</b>	<b>Current Year-to-date 31/08/2013</b>	<b>Preceding Year-to-date 31/08/2012</b>
Net profit attributable to ordinary equity holders of the Company (RM'000)	7,137	2,527	7,137	2,527
Number of ordinary shares in issue ('000)	196,691	196,691	196,691	196,691
Basic earnings per share (sen)	<u>3.63</u>	<u>1.28</u>	<u>3.63</u>	<u>1.28</u>

**B11. 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 2013, into realised and unrealised profits, pursuant to the directive, is as follows:

	<b>As at 31/08/2013 RM'000</b>	<b>As at 31/08/2012 RM'000</b>
Total retained profits of the Group		
- Realised	77,778	53,003
- Unrealised	(10,351)	(7,705)
Total Group's retained profits as per consolidated account	<u>67,427</u>	<u>45,298</u>

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

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





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

INTERIM REPORT FOR THE QUARTER ENDED 31 AUGUST 2013

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

**B12. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

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

	<b>Current Quarter 31/08/2013 RM'000</b>	<b>Current Year-to-date 31/08/2013 RM'000</b>
Depreciation and amortisation	1,195	1,195
Loss on foreign exchange	32	32
Impairment and write off of property, plant and equipment	61	61
Impairment losses on assets held for sale	191	191
Finance costs	532	532
Interest income	(751)	(751)
Gain on disposal of property, plant and equipment	(69)	(69)
Other income	(469)	(469)

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  
24 October 2013