



GADANG HOLDINGS BERHAD
(Company No : 278114-K)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2010

THE FIGURES HAVE NOT BEEN AUDITED

	INDIVIDUAL PERIOD		CUMULATIVE PERIODS	
	Current Quarter 30/11/2010 RM'000	Preceding Year Quarter 30/11/2009 RM'000	Current Year-to-date 30/11/2010 RM'000	Preceding Year-to-date 30/11/2009 RM'000
Revenue	120,561	62,374	203,194	120,784
Cost of sales	(109,844)	(53,055)	(177,806)	(103,021)
Gross profit	10,717	9,319	25,388	17,763
Other income	127	1,180	1,024	1,929
Administrative expenses	(5,519)	(4,286)	(10,177)	(7,833)
Selling and marketing expenses	(241)	(270)	(426)	(562)
Other expenses*	(8,861)	(145)	(10,259)	(145)
Finance costs	(892)	(1,026)	(1,797)	(2,103)
Share of results of associate	-	135	-	(65)
(Loss) / Profit before tax	(4,669)	4,907	3,753	8,984
Income tax expenses	1,089	(1,406)	(907)	(2,502)
(Loss) / Profit for the period	(3,580)	3,501	2,846	6,482
Attributable to:				
Equity holders of the parent	(3,615)	3,420	2,790	6,970
Minority interest	35	81	56	(488)
	(3,580)	3,501	2,846	6,482
(Loss) / Earnings per share attributable to equity holders of the parent (sen) :				
Basic	(1.86)	2.98	1.74	6.24

(Note Other expenses consist of mainly bad debts written off and impairment of goodwill)*

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2010.



GADANG HOLDINGS BERHAD
(Company No : 278114-K)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2010**

THE FIGURES HAVE NOT BEEN AUDITED

	INDIVIDUAL PERIOD		CUMULATIVE PERIODS	
	Current Quarter 30/11/2010 RM'000	Preceding Year Quarter 30/11/2009 RM'000	Current Year-to-date 30/11/2010 RM'000	Preceding Year-to-date 30/11/2009 RM'000
(Loss) / Profit for the period	(3,580)	3,501	2,846	6,482
Other comprehensive income:				
Foreign currency translation	440	97	(279)	399
Total comprehensive income for the period	(3,140)	3,598	2,567	6,881
Total comprehensive income attributable to:				
Equity holders of the parent	(3,175)	3,517	2,511	7,369
Minority interest	35	81	56	(488)
	(3,140)	3,598	2,567	6,881

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 May 2010.



GADANG HOLDINGS BERHAD
(Company No : 278114-K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2010

	AS AT 30/11/2010 RM'000	AS AT 31/05/2010 RM'000
ASSETS	UNAUDITED	AUDITED & (Restated)
Non-current assets		
Property, plant and equipment	75,382	73,050
Biological assets	3,190	1,399
Investment properties	15,418	15,418
Concession assets	35,262	35,855
Other investment	226	226
Goodwill on consolidation	16,260	17,033
Deferred tax assets	853	856
	<u>146,591</u>	<u>143,837</u>
Current assets		
Property development costs	99,023	74,830
Amount due from customers on contracts	93,097	73,168
Inventories	6,993	15,695
Trade receivables	112,400	89,820
Other receivables	21,277	21,460
Tax recoverable	1,362	883
Deposit with licensed financial institutions	52,934	8,189
Cash and bank balances	16,056	17,797
	<u>403,142</u>	<u>301,842</u>
TOTAL ASSETS	<u>549,733</u>	<u>445,679</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	196,691	118,016
Reserves	39,602	66,954
	<u>236,293</u>	<u>184,970</u>
Minority Interests	3,945	4,249
Total Equity	<u>240,238</u>	<u>189,219</u>
Non-current liabilities		
Bank borrowings	43,112	35,330
Deferred taxation liabilities	5,600	5,580
Defined benefit obligations	585	941
	<u>49,297</u>	<u>41,851</u>
Current liabilities		
Trade and other payables	121,744	124,067
Bank borrowings	137,644	88,439
Provision for taxation	810	2,103
	<u>260,198</u>	<u>214,609</u>
Total liabilities	<u>309,495</u>	<u>256,460</u>
TOTAL EQUITY AND LIABILITIES	<u>549,733</u>	<u>445,679</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.22	1.60

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2010.



GADANG HOLDINGS BERHAD
(Company No : 278114-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2010**

THE FIGURES HAVE NOT BEEN AUDITED

	6 Months to 30/11/2010 RM'000	6 Months to 30/11/2009 RM'000
Net cash flow (used in)/generated from operating activities	(57,555)	20,758
Net cash flow (used in) / generated from investing activities	(1,109)	752
Net cash flow (used in) / generated from financing activities	<u>103,579</u>	<u>(17,884)</u>
Net change in cash and cash equivalents	44,915	3,626
Effect of exchange rate changes	182	(889)
Cash and cash equivalents at beginning of financial year	<u>8,748</u>	<u>1,650</u>
Cash and cash equivalents at end of financial year	<u><u>53,845</u></u>	<u><u>4,387</u></u>

Cash and cash equivalents at the end of the financial year comprise the following:

	As at 30.11.2010 RM'000	As at 30.11.2009 RM'000
Cash and bank balances	16,056	17,810
Deposit with licensed financial institutions	52,934	4,634
Bank overdraft	<u>(15,145)</u>	<u>(18,057)</u>
Total	<u><u>53,845</u></u>	<u><u>4,387</u></u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 May 2010.



GADANG HOLDINGS BERHAD
(Company No : 278114-K)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2010**

THE FIGURES HAVE NOT BEEN AUDITED

	← Attributable to Equity Holders of the Parent →								Total Equity RM'000
	← Non-Distributable →							Minority Interests RM'000	
	Share Capital RM'000	Warrant reserve RM'000	Capital Reserve RM'000	Share Premium RM'000	Foreign Exchange Reserve RM'000	Retained Profits RM'000	Total RM'000		
At 1 June 2010									
As previously stated	118,016	-	1,347	8,816	(1,737)	58,528	184,970	4,249	189,219
Effects of adopting FRS 139	-	-	-	-	-	(1,615)	(1,615)	-	(1,615)
As restated	118,016	-	1,347	8,816	(1,737)	56,913	183,355	4,249	187,604
Profit for the period	-	-	-	-	-	2,790	2,790	56	2,846
Other comprehensive income	-	-	-	-	-	(279)	(279)	-	(279)
Total comprehensive income	-	-	-	-	-	2,511	2,511	56	2,567
Increase of equity	-	-	-	-	-	-	-	(349)	(349)
Foreign exchange differences	-	-	-	-	181	-	181	(11)	170
Renounceable rights issue	78,675	6,176	-	(8,816)	-	(25,789)	50,246	-	50,246
At 30 November 2010	196,691	6,176	1,347	-	(1,556)	33,635	236,293	3,945	240,238
At 1 June 2009									
As previously stated	118,016	-	1,347	8,816	(1,132)	43,612	170,659	5,212	175,871
Profit for the period	-	-	-	-	-	3,550	3,550	(569)	2,981
Other comprehensive income	-	-	-	-	-	302	302	-	302
Total comprehensive income	-	-	-	-	-	3,852	3,852	(569)	3,283
Foreign exchange differences	-	-	-	-	(889)	-	(889)	47	(918)
Share issue expenses	-	-	-	(4)	-	-	(4)	-	(4)
At 30 November 2009	118,016	-	1,347	8,812	(2,021)	47,464	173,618	4,690	178,232

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2010.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 NOVEMBER 2010

PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

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 Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 May 2010. 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 year ended 31 May 2010.

The accounting policies adopted by the Group in the quarterly financial statements are consistent with those adopted in the financial statements for year ended 31 May 2010, except for the changes arising from the adoption of new / revised Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations that are effective for financial period beginning 1 June 2010 as follows:

(a) FRS 101, Presentation of Financial Statements (revised)

The revised FRS 101 requires all owner changes in equity to be presented in the statement of changes in equity, separately from non-owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (i.e. separate income statement and a statement of comprehensive income) and presented as a single line labeled as total comprehensive income in the statement of changes in equity.

The Group has adopted the two statements format for presentation of comprehensive income. Comparative information has been re-presented to be conformity with this revised FRS.

The adoption of this FRS has no impact on the financial position and results of the Group as it affects presentation of the financial statements only.

(b) Amendment to FRS117: Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The consideration paid were classified and presented as prepaid lease payments and amortised on a straight line basis over the lease term.

Upon adoption of the Amendment to FRS 117, leasehold land is classified as a finance lease if the Group has substantially all the risk and rewards incidental to ownership of the land. The Group has concluded that all leasehold land of the Group are in substance finance lease and has reclassified its leasehold land from prepaid lease payments to Property, Plant and Equipment.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 NOVEMBER 2010

PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

(b) Amendment to FRS117: Leases (cont'd)

The effect of the reclassification to the comparative of the prior year's statement of financial position is as follows;

Balance Sheet @ 31 May 2010	Previously stated RM'000	Adjustment RM'000	Restated RM'000
Property, plant and equipment	70,600	2,450	73,050
Prepaid lease payments	2,450	(2,450)	-

(c) FRS 139, Financial Statements: Recognition and Measurement and Amendments to FRS 139, Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of financial statements. Financial instruments are recognized initially at fair value plus, in the case of financial assets or liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities. The Group determines the classification of its financial instruments at initial recognition.

(i) Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group categorises its financial assets as follow:

Loans and receivables

Loans and receivables category comprises trade and other receivables and cash and cash equivalents which are subsequently measured at amortised cost using the effective interest method.

(ii) Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables, and borrowings that are classified as liabilities.

All the Group's financial liabilities are measured at amortised cost using the effective interest method.

In accordance with the transitional provisions of FRS 139 for the first-time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial period are recognized as adjustments of the opening balance of retained profits or another appropriate reserve and comparatives are not adjusted.



GADANG HOLDINGS BERHAD
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INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 NOVEMBER 2010

PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

(ii) Financial liabilities- (Cont'd)

Accordingly, the effects of the initial adoption of FRS 139 on opening retained profits of the Group are as follows:

	Retained profits RM'000
Adjustments arising from adoption of FRS 139:	
- Impairment of trade receivable, net of tax	1,615

Impairment of trade receivables

Prior to 1 June 2010, provision for doubtful debts was recognized when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognized when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 June 2010, the Group has remeasured the allowance for the impairment losses as at that date in accordance with FRS 139 and the difference is recognized as adjustments to the opening balance of retained earnings as at that date

The initial application of the other new / revised FRSs, Amendment to FRSs and IC Interpretations has no material impact to the financial statements of the Group.

A2. AUDIT QUALIFICATION

The auditors' report on the Group's annual financial statements for the year ended 31 May 2010 was not subject to any audit qualification.

A3. SEASONAL OR CYCLICAL FACTORS

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

A4. EXCEPTIONAL ITEMS

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

A5. CHANGES IN ESTIMATES

There were no changes in estimates of the amounts reported in prior financial year that may have a material effect in the current quarter.

A6. ISSUANCE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the period ended 30 November 2010.

A7. DIVIDEND PAID

There was no payment of dividend in the current quarter.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 NOVEMBER 2010

PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

A8. SEGMENT REVENUE AND RESULTS

<u>SEGMENT</u>	<u>REVENUE</u>			<u>RESULT</u>		
	6 Months Period ended 30 November 2010	External RM'000	Internal* RM'000	Total RM'000	PBT^ RM'000	Taxation RM'000
Earthworks, engineering and construction works	177,109	31,862	208,971	(173)	901	728
Property investment and development	18,152	1,234	19,386	3,941	(982)	2,959
Water concession	7,171	493	7,664	893	(323)	570
Plantation	-	-	-	(247)	-	(247)
Investment Holdings and Others	762	1,840	2,602	772	(76)	696
Elimination	-	(35,429)	(35,429)	(1,433)	(427)	(1,860)
Consolidated	203,194	-	203,194	3,753	(907)	2,846

Note : * Inter-segment sales
^ Profit/(Loss) before tax
Profit/(Loss) after tax

A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The valuations of property, plant and equipment have been brought forward without any amendments from the previous annual financial statements for the year ended 31 May 2010.

A10. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

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

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the period ended 30 November 2010 other than the following events:-

- (i) On 5 October 2010, Gadang Plantations Holdings Sdn Bhd, the Company's wholly-owned subsidiary, had acquired two (2) ordinary shares of RM1.00 each representing 100% equity interest in Jauhari Mahir Sdn Bhd ("Jauhari Mahir") for a cash consideration of RM2.00. Jauhari Mahir was incorporated on 27 January 2010 and its principal activity is oil palm plantation.
- (ii) On 11 November 2010, the Company's indirect wholly-owned subsidiary, Flora Masyhur Sdn Bhd had completed its acquisition of 70% equity interest in Camar Ajaib Sdn Bhd ("CASB"). With the completion, CASB became an indirect 70% owned subsidiary of the Company.



GADANG HOLDINGS BERHAD
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INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 NOVEMBER 2010

PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

A12. 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 :-

	<u>RM'000</u>
As at 31 May 2010	241,114
Increase during the financial period	120,677
As at 30 November 2010	<u><u>361,791</u></u>

A13. CAPITAL COMMITMENTS

As at 30 November 2010

	<u>RM'000</u>
Approved and contracted for	
- Purchase of land for property development	13,000
Approved and not contracted for	
- Oil palm plantations development	20,000
	<u>33,000</u>
	<u><u>=====</u></u>



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 NOVEMBER 2010

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

B1. REVIEW OF PERFORMANCE

The Group posted revenue of RM203.19 million for the current financial period, an increase of 68% as compared to RM120.78 million recorded in the corresponding financial period last year. Despite the higher revenue, the Group's gross profit declined by 3% mainly due to lower margin recognised by the Construction Division during the financial period under review.

The Group recorded non-recurrent other operating expenses consisting of bad and doubtful debts and impairment of goodwill of RM10.26 million for the financial period under review.

Accordingly, the Group registered a decrease in profit before taxation to RM3.75 million as compared to RM8.98 million recorded in the previous corresponding financial period.

The Group's revenue and profit before tax for the current quarter as compared to the previous corresponding quarter recorded significant improvement in revenue to RM120.56 million from RM62.37 million but a loss before tax of RM4.67 million due to bad and doubtful debt of RM8.86 million incurred by the Construction Division against profit before tax of RM4.91 million registered in the corresponding quarter respectively.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

The Group recorded an increase in revenue by 46% to RM120.56 million as compared to RM82.63 million registered in the preceding quarter. The better revenue was due to higher recognition of work completed by the Construction Division.

After accounting for a non-recurrent charge of RM8.86 million for bad and doubtful debt by the Construction Division, the Group registered a loss before taxation of RM4.67 million for the current quarter, against RM8.42 million in the preceding quarter.

B3. PROSPECTS

After the completion of the Company's rights issue, and the enlarged share capital, the Board of Directors expects the Construction Division to be ready to undertake larger projects to be implemented under the Government's Economic Transformation Plan, with the Property Division to provide fresh growth opportunities by developing on the existing land banks of the Group with market driven and affordable properties.

Barring unforeseen circumstances, the Group is cautiously optimistic in achieving satisfactory performance for the financial year ending 31 May 2011.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT AND SHORTFALL IN PROFIT GUARANTEE

This is not applicable to the Group.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 NOVEMBER 2010

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

B5. TAXATION

Taxation comprises the following:-

	Current quarter RM'000	Year-to-date RM'000
Current tax:		
Malaysian income tax	(1,258)	46
Foreign tax	168	323
Under / (over) provision for prior years	-	538
Deferred taxation	-	-
	<u>(1,090)</u>	<u>907</u>

The effective tax rate for the Group for the financial period is higher than the statutory tax rate because certain expenses are not allowable as deduction for tax purposes.

B6. SALES OF UNQUOTED INVESTMENTS/PROPERTIES

There were no disposals of unquoted investments or properties during the period under review.

B7. QUOTED SECURITIES

There were no dealings in quoted securities during the period under review.

B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED

The corporate proposals announced on 10 February 2010 which have been completed as at the date of this announcement are as follows:-

- (1) Proposed Renounceable Two-call Rights Issue of up to 78,677,194 new ordinary shares of RM1.00 each ("shares") in Gadang ("Rights Shares") at an indicative issue price of RM1.00 per rights share on the basis of two (2) Rights Shares for every three (3) existing shares in Gadang ("Gadang Shares") together with up to 19,669,299 free detachable warrants ("Warrants") on the basis of one (1) warrant for every four (4) Rights Shares subscribed on an entitlement dated to be determined later ("Proposed Rights Issue");
- (2) Proposed increase in the authorized share capital of Gadang from RM200,000,000 comprising 200,000,000 Gadang shares to RM400,000,000 comprising 400,000,000 Gadang shares by the creation of an additional 200,000,000 Gadang shares;
- (3) Proposed amendments to the Memorandum and Articles of Association of the Company; and
- (4) Proposed Exemption pursuant to Practice Note 2.9.1 of the Malaysian Code on Take-Over and Mergers, 1998 to Tan Sri Dato' Kok Onn ("TSDKO") and persons acting in concert with him ("PAC") from the obligation to extend a mandatory take-over offer for all the remaining Gadang shares not already owned by TSDKO and PAC upon the completion of the Proposed Rights Issue.

(collectively referred to as "the Proposals")



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 NOVEMBER 2010

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

B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED – (Cont'd)

The approvals required for the Proposals as follows have been obtained:-

- i) Bank Negara Malaysia via its letter dated 31 May 2010 for the issue of Warrants to non-resident subscribing shareholders of the Company;
- ii) Bursa Malaysia Securities Berhad (“Bursa Securities”) via its letter dated 16 July 2010 for the admission of the Warrants to the Official List of Bursa Securities and the approval-in-principle for the listing of and quotation for the Rights Shares and Warrants to be issued under the Rights Issue and new Shares to be issued upon the exercise of the Warrants on Bursa Securities;
- iii) The shareholders of the Company for the Proposals, which were obtained on 12 August 2010 at the Company’s extraordinary general meeting; and
- iv) Securities Commission (“SC”) via its letter dated 17 August 2010 for the Proposed Exemption.

The Company received 100% subscription rate over the total of 78,675,427 Rights Shares together with 19,668,739 Warrants available for subscription under the Rights Issue. The Rights Issue was completed on 4 October 2010 following the admission of the Warrants to the Official List of Bursa Securities, and the listing of and quotation for the 78,675,427 Rights Shares and 19,668,739 Warrants on the Main Market of Bursa Securities on 4 October 2010.

B9. GROUP BORROWINGS

The details of the Group borrowings are as follows: -

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	137,644	-	137,644
Long term borrowings	43,112	-	43,112
	<u>180,756</u>	<u>-</u>	<u>180,756</u>
Borrowings denominated in foreign currency :			
	Rp'000	RM'000	Equivalent
Indonesian Rupiah (Rp)	<u>16,617,160</u>		<u>5,816</u>

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at the date of this report.

B11. MATERIAL LITIGATION

As at 20 January 2011, 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.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 NOVEMBER 2010

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

B12. DIVIDEND

The Board of Directors does not recommend any payment of dividend for the second quarter ended 30 November 2010.

B13. EARNINGS PER SHARE

Basic / (Loss) earnings per share

The basic earnings per share has been calculated by dividing the (loss) / profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares that would have been during the financial year, calculated as follows :-

	INDIVIDUAL QUARTER		YEAR-TO-DATE	
	30/11/2010	30/11/2009	30/11/2010	30/11/2009
Net (Loss) /Profit attributable to ordinary equity holders of the parent (RM'000)	(3,175)	3,517	2,511	7,369
Weighted average number of ordinary shares ('000)	170,754	118,016	144,241	118,016
Basic (loss)/earnings per share(sen)	(1.86)	2.98	1.74	6.24

B14. UTILISATION OF PROCEEDS

As at 30 November 2010, the Company has utilized approximately 41% of the proceeds raised from its Rights Issue in October 2010.

	Nature of Expenses	Proposed Amt RM'000	Actual Utilisation		Unused Amt RM'000
			RM'000	%	
i.	Repayment of bank borrowings	8,000	3,990	50	4,010
ii.	Working Capital	42,340	16,093	38	26,247
iii.	Expenses for the proceeds	800	800	100	-
	Total	51,140	20,883	41	30,257

B15. DISCLOSURE OF REALISED AND UNREALISED PROFITS

On 25 March 2010, 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.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 NOVEMBER 2010

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

B15. DISCLOSURE OF REALISED AND UNREALISED PROFITS – (Cont'd)

The breakdown of the retained profits of the Group as at 30 November 2010, into realised and unrealised profits, pursuant to directive, is as follows:

	As at 30.11.2010 RM'000	As at 30.11.2009 RM'000
Total Retained profits / (losses) of the Group		
- Realised	33,698	52,599
- Unrealised	(63)	(509)
Total Retained Profits as per statement of financial position	33,635	62,099

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.

BY ORDER OF THE BOARD,
Tan Seok Chung
Company Secretary
27 January 2011