



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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2013**

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/11/2013 RM'000	Preceding Year Quarter 30/11/2012 RM'000	Current Year-to-date 30/11/2013 RM'000	Preceding Year-to-date 30/11/2012 RM'000
Revenue	141,023	124,013	254,474	171,281
Cost of sales	(125,144)	(100,856)	(222,151)	(139,572)
<b>Gross profit</b>	<b>15,879</b>	<b>23,157</b>	<b>32,323</b>	<b>31,709</b>
Other income	4,024	1,922	5,978	4,094
Administrative expenses	(3,100)	(2,802)	(6,695)	(5,788)
Other expenses	(3,760)	(4,087)	(8,134)	(7,500)
Finance costs	(363)	(492)	(895)	(1,109)
<b>Profit before tax</b>	<b>12,680</b>	<b>17,698</b>	<b>22,577</b>	<b>21,406</b>
Income tax expense	(3,955)	(5,374)	(6,183)	(6,077)
<b>Net profit for the financial period</b>	<b>8,725</b>	<b>12,324</b>	<b>16,394</b>	<b>15,329</b>
<b>Other comprehensive income:</b>				
Foreign currency translation	(4,547)	(385)	(3,848)	(762)
<b>Total comprehensive income for the financial period</b>	<b>4,178</b>	<b>11,939</b>	<b>12,546</b>	<b>14,567</b>
<b>Net profit attributable to:</b>				
Equity holders of the Company	8,270	12,244	15,407	14,771
Non-controlling interests	455	80	987	558
	<b>8,725</b>	<b>12,324</b>	<b>16,394</b>	<b>15,329</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	3,889	11,900	11,800	14,089
Non-controlling interests	289	39	746	478
	<b>4,178</b>	<b>11,939</b>	<b>12,546</b>	<b>14,567</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic (sen)	4.20	6.22	7.83	7.51

*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 30 NOVEMBER 2013**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 30/11/2013 RM'000</b>	<b>As At 31/05/2013 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	59,876	64,492
Biological assets	11,273	10,643
Investment properties	25,209	25,347
Concession assets	29,065	31,026
Other investment	163	163
Goodwill	9,077	10,423
Deferred tax assets	3,802	3,812
Non-trade receivables	538	503
	<u>139,003</u>	<u>146,409</u>
<b>Current assets</b>		
Property development costs	136,465	140,204
Amount due from customers on contracts	9,356	35,501
Inventories	1,010	1,008
Trade and other receivables	85,408	45,035
Tax recoverable	3,473	2,987
Fixed deposits placed with licensed banks	72,919	53,548
Cash and bank balances	82,358	83,016
	<u>390,989</u>	<u>361,299</u>
Assets classified as held for sale	-	3,058
<b>TOTAL ASSETS</b>	<u>529,992</u>	<u>510,766</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity Holders of the Company</b>		
Share Capital	196,691	196,691
Reserves	73,272	65,898
	<u>269,963</u>	<u>262,589</u>
<b>Non-controlling interests</b>	3,014	3,842
<b>Total equity</b>	<u>272,977</u>	<u>266,431</u>



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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 NOVEMBER 2013 (Continued)**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 30/11/2013 RM'000</b>	<b>As At 31/05/2013 RM'000</b>
<b>Non-current liabilities</b>		
Non-trade payables	11,150	11,550
Bank borrowings	63,406	56,482
Deferred tax liabilities	14,177	14,502
Defined benefit obligations	1,009	1,186
	<u>89,742</u>	<u>83,720</u>
<b>Current liabilities</b>		
Trade and other payables	95,117	110,379
Amount due to customers on contracts	8,450	18,800
Bank borrowings	56,269	26,603
Current tax liabilities	7,437	3,903
	167,273	159,685
Liabilities classified as held for sale	-	930
<b>Total liabilities</b>	<u>257,015</u>	<u>244,335</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>529,992</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 30 NOVEMBER 2013

	← Attributable to Equity Holders of the Company →							
	← Non-Distributable →							
	Share Capital	Warrant Reserve	Capital Reserve	Foreign Exchange Reserve	Retained Profits	Total	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>(UNAUDITED)</b>								
<b>At 1 June 2013</b>	196,691	6,176	1,347	(1,915)	60,290	<b>262,589</b>	3,842	<b>266,431</b>
Total comprehensive income	-	-	-	(3,607)	15,407	<b>11,800</b>	746	<b>12,546</b>
Dividends on ordinary shares	-	-	-	-	(4,426)	<b>(4,426)</b>	-	<b>(4,426)</b>
Disposal of investment in subsidiaries	-	-	-	296	(296)	-	(1,574)	<b>(1,574)</b>
<b>At 30 November 2013</b>	<b>196,691</b>	<b>6,176</b>	<b>1,347</b>	<b>(5,226)</b>	<b>70,975</b>	<b>269,963</b>	<b>3,014</b>	<b>272,977</b>
<b>(AUDITED)</b>								
<b>At 1 June 2012</b>	196,691	6,176	1,347	(1,135)	42,771	<b>245,850</b>	3,735	<b>249,585</b>
Total comprehensive income	-	-	-	(780)	20,469	<b>19,689</b>	107	<b>19,796</b>
Dividends on ordinary shares	-	-	-	-	(2,950)	<b>(2,950)</b>	-	<b>(2,950)</b>
<b>At 31 May 2013</b>	<b>196,691</b>	<b>6,176</b>	<b>1,347</b>	<b>(1,915)</b>	<b>60,290</b>	<b>262,589</b>	<b>3,842</b>	<b>266,431</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 2013.*



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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2013**

	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>Current Year-to-date 30/11/2013 RM'000</b>	<b>Preceding Year-to-date 30/11/2012 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	22,577	21,406
Adjustments for:		
Amortisation of biological asset	151	-
Bad debts written off	408	-
Depreciation of concession assets	750	1,523
Depreciation of investment properties	138	-
Depreciation of property, plant and equipment	1,390	1,028
Finance costs	895	1,109
Gain on disposal of investment in subsidiaries	(519)	21
Gain on disposal of property, plant and equipment	(169)	(225)
Increase in liability for defined benefit obligations	(177)	(77)
Interest income	(1,503)	(388)
Property, plant and equipment written off	61	6
Recovery from provision of doubtful debts	(1,634)	927
Reversal of impairment losses on assets held for sale	(554)	-
Operating profit before working capital changes	21,814	25,330
Changes in working capital:		
Property development costs	3,739	13,639
Biological assets	(781)	(1,601)
Amount due from/(to) customers on contracts	24,058	52,375
Inventories	(2)	107
Receivables	(39,182)	5,011
Payables	(15,662)	9,787
Income tax paid	(3,450)	(373)
<b>Net Operating Cash Flows</b>	<b>(9,466)</b>	<b>104,275</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(1,281)	(3,054)
Purchase of concession assets	(192)	(216)
Proceeds from disposal of concession asset	78	-
Proceeds from disposal of assets held for sale	1,865	-
Proceeds from disposal of investment	-	42
Proceeds from disposal of property, plant and equipment	169	402
Interest received	1,503	388
<b>Net Investing Cash Flows</b>	<b>2,142</b>	<b>(2,438)</b>



**GADANG HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2013 (Continued)**

	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>Current Year-to-date 30/11/2013 RM'000</b>	<b>Preceding Year-to-date 30/11/2012 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	38,577	-
Finance costs	(895)	(1,109)
Repayment of bank borrowings	(3,965)	(3,960)
Fixed deposits pledged as security values	(7,084)	(2,927)
Repayment of hire purchase liabilities	(1,823)	284
Dividends paid to shareholders of the Company	(4,426)	-
	<hr/>	<hr/>
<b>Net Financing Cash Flows</b>	<b>20,384</b>	<b>(7,712)</b>
	<hr/>	<hr/>
Net change in cash and cash equivalents	13,060	94,125
Effect of exchange rate changes	(1,157)	672
Cash and cash equivalents at the beginning of the financial period	95,351	1,657
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial period	<b>107,254</b>	<b>96,454</b>
	<hr/>	<hr/>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and bank balances	82,358	76,202
Fixed deposits placed with licensed banks	72,919	60,991
Bank overdrafts	(1,472)	(3,951)
	<hr/>	<hr/>
	153,805	133,242
Less: Fixed deposits pledged as security values	(46,551)	(36,788)
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<b>Total</b>	<b>107,254</b>	<b>96,454</b>
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*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 30 NOVEMBER 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 Associates 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
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###### Amendments to IC Int

IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments [Improvement to FRSs (2012)]
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**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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**  
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**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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.

At the Company’s Annual General Meeting held on 19 November 2013, the shareholders of the Company approved a first and final dividend of 3 sen per share less 25% income tax in respect of the financial year ended 31 May 2013. The Company paid this final dividend on 24 December 2013.

**A9. SEGMENTAL REPORTING**

**6 months ended 30 November 2013 (Current Financial Period)**

	<b>Construction Division RM'000</b>	<b>Property Division RM'000</b>	<b>Utility Division RM'000</b>	<b>Investment Holding RM'000</b>	<b>Plantation Division RM'000</b>	<b>Consolidated RM'000</b>
<b>30 November 2013</b>						
<b>Revenue</b>	207,025	39,053	8,105	-	291	254,474
<b>Results</b>						
Segment results	12,733	8,901	3,518	(628)	(1,052)	23,472
Finance costs	(658)	(143)	(79)	-	(15)	(895)
Profit /(Loss) before tax	12,075	8,758	3,439	(628)	(1,067)	22,577
Income tax expense						(6,183)
Profit for the year						16,394



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2013

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

#### A9. SEGMENTAL REPORTING (Continued)

##### 6 months ended 30 November 2012 (Previous 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>30 November 2012</b>						
<b>Revenue</b>	109,407	53,456	8,418	-	-	171,281
<b>Results</b>						
Segment results	5,308	16,699	1,858	(1,256)	(94)	22,515
Finance costs	(685)	(156)	(166)	(94)	(8)	(1,109)
Profit /(Loss) before tax	4,623	16,543	1,692	(1,350)	(102)	21,406
Income tax expense						(6,077)
Profit for the year						15,329

#### 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

Proposed Joint Venture between Achwell Property Sdn Bhd, a wholly-owned subsidiary of the Company, and Capital City Property Sdn Bhd for an integrated development comprising a retail podium, office suites tower blocks and hotel suites tower blocks ("the Project") in Bandar Johor Bahru, District of Johor Bahru, State of Johor Darul Takzim ("Proposed Joint Venture")

On 26 December 2013, Achwell Property Sdn Bhd ("APSM" or "Landowner"), a wholly-owned subsidiary of Gadang, had on 26 December 2013 entered into a Joint Venture Agreement ("Agreement") with Capital City Property Sdn Bhd ("CCPSB" or "Developer") for the proposed development and construction of an integrated development on eighty-four (84) parcels of land located in Bandar Johor Bahru, District of Johor Bahru, State of Johor Darul Takzim ("Said Land")

The total land area for the development, including amongst others, roads and other common areas, is approximately 12.0 acres. The proposed integrated development, subject to the approval of the relevant authorities, is expected to generate an estimated gross development value ("GDV") of RM1.8 billion which entails the following proposed components, will be completed not later than sixty-six (66) months from the Commencement Date.

- (i) a retail podium of ten (10) levels (inclusive of a lower ground level) of retail and car park floors measuring in aggregate approximately 261,239 square metres;
- (ii) three (3) tower blocks of office (SOHO) suites comprising fifteen (15) levels of office (SOHO) suites measuring in aggregate approximately 18,140 square metres per block; and



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**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2013**

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

**A11. SIGNIFICANT SUBSEQUENT EVENT (Continued)**

- (iii) two (2) tower blocks of hotel suites measuring in aggregate approximately 23,548 square metres and 33,817 square metres respectively;  
(Collectively referred to as "the Project")

In addition to the approvals from the relevant authorities for the proposed development of the Project to be obtained by CCPSB, the Proposed Joint Venture is subject to the approval of the shareholders of the Company at an Extraordinary General Meeting to be convened.

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

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 Asian Utilities Pte Ltd ("AUPL") had on even date entered into a Conditional Sale 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 SCTK and 700 shares representing its entire 10% equity interest in STR, for a total consideration of IDR 6.5 billion (equivalent approximately RM2.1 million) ("Disposal").

On 3 December 2013, the Company announced that the Disposal was completed on 21 November 2013 following the approval being obtained from the Indonesia Minister of Laws and Human Rights, via its letter dated 21 November 2013 (which was received on 3 December 2013). With the completion, SCTK and STR ceased to be indirect subsidiaries of the Company.

**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 2013	306,971
Decrease during the period	82,112
As at 30 November 2013	<u>224,859</u>

**A14. CAPITAL COMMITMENTS**

	<b>As At 30/11/2013 RM'000</b>
<b>Approved and contracted for</b>	
- Balance of purchase consideration for property acquisition per Sale and Purchase Agreement	42,800
<b>Approved and not contracted for</b>	
- Oil palm plantations development	7,860
	<u>50,660</u>



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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 RM254.47 million for the current period ended 30 November 2013 ("2Q14") as compared to RM171.28 million in the previous corresponding period ended 30 November 2012 ("2Q13"), an increase of 48.57%. The increase in revenue was a result of higher contributions from construction activities.

In line with the above, the Group registered a higher profit before tax of RM22.58 million in 2Q14 as compared to RM21.41 million in 2Q13.

Further analysis of the divisional performances is as follows:

**Construction Division**

	<b>Current Year-to-date 30/11/2013 RM'000</b>	<b>Preceding Year-to-date 30/11/2012 RM'000</b>
Revenue	207,025	109,407
Profit before tax	12,075	4,623

The Construction Division recorded higher revenue of RM207.03 million in 2Q14 as compared to RM109.41 million in 2Q13 mainly due to higher progress billings from on-going projects.

For 2Q14, the Construction Division has recovered a doubtful debt of RM1.63 million from Bukit Puteri Development Sdn Bhd for a project undertaken in year 2006. In line with this and the higher progress billings from on-going projects, the Construction Division recorded a profit before tax of RM12.08 million for 2Q14 as compared to RM4.62 million for 2Q13.

**Property Division**

	<b>Current Year-to-date 30/11/2013 RM'000</b>	<b>Preceding Year-to-date 30/11/2012 RM'000</b>
Revenue	39,053	53,456
Profit before tax	8,758	16,543

The Property Division recorded lower revenue of RM39.05 million in 2Q14 as compared to RM53.46 million in 2Q13 mainly due to disposal of Penang Land in 2Q13.

In this regard, the profit before tax decreased substantially from RM16.54 million in 2Q13 to RM8.76 million in 2Q14. The Property Division has written off some bad debts amounting to RM0.41 million in 2Q14, this has led to a further decrease in the profit before tax.



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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 30/11/2013 RM'000</b>	<b>Preceding Year-to-date 30/11/2012 RM'000</b>
Revenue	8,105	8,418
Profit before tax	3,439	1,692

The revenue from the Utility Division decreased marginally by 3.68% from RM8.42 million for 2Q13 to RM8.11 million for 2Q14. This decrease of the revenue was mainly due to the weakening of Indonesia Rupiah against Ringgit Malaysia, which is the Group's functional currency.

Profit before tax increased from RM1.69 million for 2Q13 to RM3.44 million for 2Q14. The substantial increase in profit before tax was mainly due to gain on the disposal of investment in subsidiaries.

**Plantation Division**

	<b>Current Year-to-date 30/11/2013 RM'000</b>	<b>Preceding Year-to-date 30/11/2012 RM'000</b>
Revenue	291	-
Loss before tax	(1,067)	(102)

The oil palm trees planted in 2009 have matured and harvesting had commenced in 4Q13. The loss before tax of RM1.07 million in 2Q14 was higher as compared to RM0.10 million in 2Q13 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 30/11/2013 RM'000</b>	<b>Preceding Quarter 31/08/2013 RM'000</b>
Revenue	141,023	113,451
Profit before tax	12,680	9,897

The Group recorded higher revenue of RM141.02 million for the current quarter as compared to RM113.45 million in preceding quarter. The reason for the higher revenue was attributed by higher progress billings from existing construction projects.

In line with the above, the Group's profit before tax increased from RM9.90 million in preceding quarter to RM12.68 million in current quarter.



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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 is mindful of the business challenges moving forward in view of the escalating costs that can have an impact on the Group's construction and property development activities. Accordingly, proactive measures are taken to strengthen and optimize cost management processes in executing the outstanding order book of some RM1.18 billion for the Construction Division and some RM425.0 million worth of property launches planned for the Property Division. Though the Utility Division remains profitable, its performance continues to be impacted by exchange rate exposure.

Overall, the Board expects the performance for the current financial year ending 31 May 2014 to be stronger than the last financial year.

#### 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:

	Current Quarter 30/11/2013 RM'000	Current Year-to-date 30/11/2013 RM'000
Current tax:		
Malaysian income tax	3,638	5,795
Foreign income tax	298	633
Deferred tax	19	(245)
	3,955	6,183

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

#### B6. STATUS OF CORPORATE PROPOSALS 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.



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

- (ii) Proposed Acquisition of a parcel of residential land located at Jalan Kolam Air, Taman Melawati, Kuala Lumpur

On 25 October 2013, the Company announced that Gadang Land Sdn Bhd had on even date entered into a Sale and Purchase Agreement (“SPA”) with Lembaga Kumpulan Wang Biasiswa Pengajian Tinggi Raja-Raja Dan Yang DiPertua – Yang DiPertua Negeri to acquire a parcel of residential land located at Jalan Kolam Air, Taman Melawati, Kuala Lumpur for a purchase consideration of RM33.11 million (“Proposed Acquisition”).

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

- (iii) Proposed Acquisition of 80% equity interest in PT. Hidronusa Rawan Energi

On 29 October 2013, the Company announced that Asian Utilities Pte Ltd had on even date entered into a Sale and Purchase of Shares Agreement (“SPSA”) with Angga Panji Kesuma and Aprian Eka Rahadi (collectively referred to as the “Sellers”) to acquire from the Sellers their respective shares amounting to 6,000 shares of nominal value Indonesian Rupiah (IDR) 1,000,000 each representing 80% of the total issued and paid-up share capital of PT. Hidronusa Rawan Energi for a purchase consideration of IDR10.80 billion (equivalent to approximately RM3.06 million) (“Proposed Shares Acquisition”).

The Proposed Shares Acquisition is yet to be completed pending the fulfillment of certain conditions precedent as stipulated in the SPSA.

**B7. GROUP BORROWINGS**

The details of the Group borrowings are as follows:

	<b>Current Year-to-date (30/11/2013)</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short term borrowings	56,269	-	56,269
Long term borrowings	63,406	-	63,406
	119,675	-	119,675

Borrowings denominated in foreign currency:

	<b>Exchange Rate</b>		
	<b>IDR'000</b>	<b>IDR100</b>	<b>RM'000</b>
Indonesian Rupiah (IDR)	2,393,309	0.0269	644
	2,393,309	0.0269	644

**B8. MATERIAL LITIGATION**

As at 16 January 2014, being 7 days prior to the date of this report, there has been no material litigation pending of which the value exceeds 5% of the Group’s net tangible assets.



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**B9. DIVIDEND**

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

**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.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/11/2013	Preceding Year Quarter 30/11/2012	Current Year-to-date 30/11/2013	Preceding Year-to-date 30/11/2012
Net profit attributable to ordinary equity holders of the Company (RM'000)	8,270	12,244	15,407	14,771
Number of ordinary shares in issue ('000)	196,691	196,691	196,691	196,691
Basic earnings per share (sen)	4.20	6.22	7.83	7.51

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

	As at 30/11/2013 RM'000	As at 30/11/2012 RM'000
Total retained profits of the Group		
- Realised	60,600	62,129
- Unrealised	10,375	(7,537)
Total Group's retained profits as per consolidated account	70,975	54,592





## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2013

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

##### B11. DISCLOSURE OF REALISED AND UNREALISED PROFITS (Continued)

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.

##### 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 30/11/2013 RM'000</b>	<b>Current Year-to-date 30/11/2013 RM'000</b>
Bad debt recovery	(1,634)	(1,634)
Bad debt written off	408	408
Depreciation and amortisation	1,234	2,429
Finance costs	363	895
Gain on disposal of investment in subsidiaries	(519)	(519)
Gain on disposal of property, plant and equipment	(100)	(169)
Impairment losses on assets held for sale	(191)	-
Interest income	(752)	(1,503)
Loss on foreign exchange	186	218
Property, plant and equipment written off	-	61
Reversal of impairment losses on assets held for sale	(554)	(554)

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  
23 January 2014