



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2014**

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 28/02/2014 RM'000	3 Months Ended 28/02/2013 RM'000	9 Months Ended 28/02/2014 RM'000	9 Months Ended 28/02/2013 RM'000
Revenue	147,478	87,865	401,952	259,146
Cost of sales	(110,630)	(76,455)	(332,781)	(216,027)
Gross profit	36,848	11,410	69,171	43,119
Other income	1,055	2,008	7,033	6,102
Administrative expenses	(4,648)	(3,795)	(11,343)	(9,583)
Other expenses	(5,112)	(4,331)	(13,246)	(11,831)
Finance costs	(179)	(141)	(1,074)	(1,250)
Profit before tax	27,964	5,151	50,541	26,557
Income tax expense	(9,189)	(1,475)	(15,372)	(7,552)
Net profit for the financial period	18,775	3,676	35,169	19,005
Other comprehensive income:				
Foreign currency translation	997	124	(2,851)	(638)
Total comprehensive income for the financial period	19,772	3,800	32,318	18,367
Net profit attributable to:				
Equity holders of the Company	19,227	3,615	34,634	18,386
Non-controlling interests	(452)	61	535	619
	18,775	3,676	35,169	19,005
Total comprehensive income attributable to:				
Equity holders of the Company	20,185	3,726	31,985	17,815
Non-controlling interests	(413)	74	333	552
	19,772	3,800	32,318	18,367
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	9.78	1.84	17.61	9.35

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 28 FEBRUARY 2014

	UNAUDITED	AUDITED
	As At 28/02/2014 RM'000	As At 31/05/2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	58,802	64,492
Biological assets	11,497	10,643
Investment properties	25,286	25,347
Concession assets	29,035	31,026
Other investment	163	163
Goodwill	9,229	10,423
Deferred tax assets	2,272	3,812
Non-trade receivables	558	503
	136,842	146,409
Current assets		
Property development costs	134,105	140,204
Amount due from customers on contracts	30,727	35,501
Inventories	171	1,008
Trade and other receivables	98,841	45,035
Tax recoverable	3,741	2,987
Fixed deposits placed with licensed banks	69,641	53,548
Cash and bank balances	90,096	83,016
	427,322	361,299
Assets classified as held for sale	-	3,058
TOTAL ASSETS	564,164	510,766
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Company		
Share Capital	196,691	196,691
Reserves	93,457	65,898
	290,148	262,589
Non-controlling interests	2,601	3,842
Total equity	292,749	266,431



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2014 (Continued)

	UNAUDITED	AUDITED
	As At 28/02/2014 RM'000	As At 31/05/2013 RM'000
Non-current liabilities		
Non-trade payables	11,150	11,550
Bank borrowings	64,522	56,482
Deferred tax liabilities	14,249	14,502
Defined benefit obligations	1,064	1,186
	<u>90,985</u>	<u>83,720</u>
Current liabilities		
Trade and other payables	88,657	110,379
Amount due to customers on contracts	15,367	18,800
Bank borrowings	64,764	26,603
Current tax liabilities	11,642	3,903
	180,430	159,685
Liabilities classified as held for sale	-	930
Total liabilities	<u>271,415</u>	<u>244,335</u>
TOTAL EQUITY AND LIABILITIES	<u>564,164</u>	<u>510,766</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.48	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 28 FEBRUARY 2014

	← Attributable to Equity Holders of the Company →							
	← Non-Distributable →					Total	Non- controlling Interests	Total Equity
	Share Capital RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Profits RM'000			
(UNAUDITED)								
At 1 June 2013	196,691	6,176	1,347	(1,915)	60,290	262,589	3,842	266,431
Total comprehensive income	-	-	-	(2,649)	34,634	31,985	333	32,318
Dividends on ordinary shares	-	-	-	-	(4,426)	(4,426)	-	(4,426)
Disposal of investment in subsidiaries	-	-	-	296	(296)	-	(1,574)	(1,574)
At 28 February 2014	196,691	6,176	1,347	(4,268)	90,202	290,148	2,601	292,749
(AUDITED)								
At 1 June 2012	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)
At 31 May 2013	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 28 FEBRUARY 2014**

	UNAUDITED	UNAUDITED
	9 Months Ended 28/02/2014 RM'000	9 Months Ended 28/02/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	50,541	26,557
Adjustments for:		
Amortisation of biological asset	241	-
Bad debts written off	505	-
Depreciation of concession assets	1,120	1,575
Depreciation of investment properties	208	-
Depreciation of property, plant and equipment	2,050	1,654
Finance costs	1,074	1,250
Gain on disposal of investment in subsidiaries	(519)	-
Gain on disposal of property, plant and equipment	(86)	(379)
Impairment losses on goodwill	-	1,250
Impairment of assets	-	(1)
Increase in liability for defined benefit obligations	(122)	(57)
Interest income	(2,278)	(864)
Inventories written off	8	-
Loss on disposal of inventories	23	-
Loss on disposal of other investment	-	21
Property, plant and equipment written off	154	145
Recovery from provision of doubtful debts	(1,899)	1,276
Reversal of impairment losses on assets held for sale	(554)	-
Operating profit before working capital changes	51,020	32,427
Changes in working capital:		
Property development costs	6,099	4,705
Biological assets	(1,095)	(2,083)
Amount due from/(to) customers on contracts	13,790	58,727
Inventories	805	105
Receivables	(52,467)	13,341
Payables	(22,122)	(1,348)
Income tax paid	(7,302)	(287)
Net Operating Cash Flows	(11,272)	105,587
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,927)	(7,343)
Purchase of concession assets	(179)	(216)
Purchase of investment properties	(147)	-
Proceeds from disposal of concession asset	72	-
Proceeds from disposal of assets held for sale	1,865	-
Proceeds from disposal of inventories	1	-
Proceeds from disposal of other investment	-	42
Proceeds from disposal of property, plant and equipment	264	2,955
Interest received	2,278	864
Net Investing Cash Flows	(773)	(3,698)



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2014 (Continued)

	UNAUDITED	UNAUDITED
	9 Months Ended 28/02/2014 RM'000	9 Months Ended 28/02/2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	49,342	-
Finance costs	(1,074)	(1,250)
Repayment of bank borrowings	(2,788)	(9,314)
Fixed deposits pledged as security	(18,108)	3,271
Repayment of hire purchase liabilities	(3,396)	2,171
Dividends paid to shareholders of the Company	(4,426)	-
Net Financing Cash Flows	19,550	(5,122)
Net change in cash and cash equivalents	7,505	96,767
Effect of exchange rate changes	(694)	919
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>102,162</u>	<u>99,343</u>
Analysis of Cash and Cash Equivalents		
Cash and bank balances	90,096	68,895
Fixed deposits placed with licensed banks	69,641	64,428
Bank overdrafts	-	(3,391)
	<u>159,737</u>	<u>129,932</u>
Less: Fixed deposits pledged as security	<u>(57,575)</u>	<u>(30,589)</u>
Total	<u>102,162</u>	<u>99,343</u>

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 28 FEBRUARY 2014

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

A1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134 - Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 May 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 28 FEBRUARY 2014

**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.

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.



GADANG HOLDINGS BERHAD
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INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2014

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

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

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

9 months ended 28 February 2014 (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
28 February 2014						
Revenue	317,325	73,288	10,859	-	480	401,952
Results						
Segment results	25,102	26,087	4,518	(2,522)	(1,570)	51,615
Finance costs	(693)	(262)	(98)	-	(21)	(1,074)
Profit/(Loss) before tax	24,409	25,825	4,420	(2,522)	(1,591)	50,541
Income tax expense						(15,372)
Profit for the year						35,169

9 months ended 28 February 2013 (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
28 February 2013						
Revenue	186,610	59,840	12,675	-	21	259,146
Results						
Segment results	5,826	21,612	3,248	(2,341)	(538)	27,807
Finance costs	(728)	(164)	(238)	(107)	(13)	(1,250)
Profit/(Loss) before tax	5,098	21,448	3,010	(2,448)	(551)	26,557
Income tax expense						(7,552)
Profit for the year						19,005



GADANG HOLDINGS BERHAD
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INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2014

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

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

On 23 April 2014, the shareholders of the Company approved the joint venture between Achwell Property Sdn Bhd, a wholly-owned subsidiary of Gadang Holdings Berhad, and Capital City Property Sdn Bhd for an integrated development comprising a retail podium, office suites tower blocks and hotel suites tower blocks in Bandar Johor Bahru, District of Johor Bahru, State of Johor Darul Takzim.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 28 February 2014.

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:

	RM'000
As at 30 November 2013	224,859
Decrease during the period	(18,752)
As at 28 February 2014	<u>206,107</u>

A14. CAPITAL COMMITMENTS

	As At 28/02/2014 RM'000
Approved and contracted for	
- Balance of purchase consideration for property acquisitions as per Sale and Purchase Agreement	42,800
Approved and not contracted for	
- Oil palm plantations development	7,860
- Investments for the Utility Division	6,060
	<u>56,720</u>



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2014

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

B1. OPERATING SEGMENTS REVIEW

REVIEW OF PERFORMANCE AGAINST PREVIOUS YEAR CORRESPONDING PERIOD

For the current quarter, the Group posted revenue of RM147.48 million, an increase of 67.85% over the corresponding quarter of the preceding year. The Group's profit before tax increased by 442.88% to RM27.96 million as compared to the corresponding quarter of the preceding year. The increase in revenue and profit before tax was a result of higher contributions from construction and property activities.

For the current year to-date, the Group achieved revenue of RM401.95 million, an increase of 55.11% over the preceding year to-date. The Group's profit before tax surged substantially to RM50.54 million, representing a growth of 90.31% as compared to the preceding year to-date. The increase in revenue and profit before tax was a result of higher contributions and better margins from construction and property activities.

Further analysis of the divisional performances is as follows:

UNAUDITED		UNAUDITED		UNAUDITED		UNAUDITED	
INDIVIDUAL QUARTER		INDIVIDUAL QUARTER		CUMULATIVE PERIOD		CUMULATIVE PERIOD	
3 Months Ended 28/02/2014	3 Months Ended 28/02/2013	3 Months Ended 28/02/2014	3 Months Ended 28/02/2013	9 Months Ended 28/02/2014	9 Months Ended 28/02/2013	9 Months Ended 28/02/2014	9 Months Ended 28/02/2013
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

REVENUE

Construction Division	110,300	77,203	317,325	186,610
Property Division	34,235	6,384	73,288	59,840
Utility Division	2,754	4,257	10,859	12,675
Plantation Division	189	21	480	21
Investment Holding	-	-	-	-
	<u>147,478</u>	<u>87,865</u>	<u>401,952</u>	<u>259,146</u>

PROFIT BEFORE TAX

Construction Division	12,334	475	24,409	5,098
Property Division	17,067	4,905	25,825	21,448
Utility Division	981	1,318	4,420	3,010
Plantation Division	(524)	(449)	(1,591)	(551)
Investment Holding	(1,894)	(1,098)	(2,522)	(2,448)
	<u>27,964</u>	<u>5,151</u>	<u>50,541</u>	<u>26,557</u>

Construction Division

Revenue and profit before tax for the current quarter increased to RM110.30 million and RM12.33 million respectively over the corresponding quarter of the preceding year as a result of improved construction progress and improved profit margins achieved for various projects. In tandem with this, current year to-date revenue and profit before tax increased substantially to RM317.33 million and RM24.41 million respectively.



GADANG HOLDINGS BERHAD
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INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2014

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

B1. OPERATING SEGMENTS REVIEW (Continued)

Property Division

Revenue for the current quarter of RM34.23 million and year to-date of RM73.29 million increased by 436.26% and 22.47% respectively as compared to the previous year corresponding period. The profit before tax for the current quarter and year to-date increased to RM17.07 million and RM25.83 million respectively. The better performance was mainly driven by improved profit margin realised for the commercial and residential project under Phase 1 located in Tampoi.

Utility Division

Revenue for the current quarter of RM2.75 million and year to-date of RM10.86 million decreased by 35.31% and 14.33% respectively as compared to previous year corresponding period mainly due to the disposal of indirect subsidiary, PT Sarana Tirta Rejeki on 21 November 2013.

In line with this, profit before tax decreased by 25.57% to RM0.98 million for the current quarter. However, year to-date profit before tax increased by 46.84% to RM4.42 million mainly due to gain on the disposal of investment in subsidiaries.

Plantation Division

Revenue for the current quarter and year to-date increased slightly to RM0.19 million and RM0.48 million respectively as compared to previous year corresponding period mainly due to higher harvesting activities.

Loss before tax increased to RM0.52 million and RM1.59 million for the current quarter and year to-date. This was mainly due to the amortisation of its planting expenditure capitalised under biological asset.

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

	UNAUDITED 3 Months Ended 28/02/2014 RM'000	UNAUDITED 3 Months Ended 30/11/2013 RM'000	UNAUDITED 3 Months Ended 28/02/2014 RM'000	UNAUDITED 3 Months Ended 30/11/2013 RM'000
	REVENUE		PROFIT BEFORE TAX	
Construction Division	110,300	117,177	12,334	6,613
Property Division	34,235	19,803	17,067	4,412
Utility Division	2,754	3,837	981	2,326
Plantation Division	189	206	(524)	(438)
Investment Holding	-	-	(1,894)	(233)
	147,478	141,023	27,964	12,680



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2014

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

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

The Group recorded higher revenue of RM147.48 million for the current quarter as compared to RM141.02 million in preceding quarter. The reason for the higher revenue was attributed by higher progress billings for the commercial and residential project under Phase 1 located in Tampoi.

In line with the above and improved margin realised for construction and property projects, the Group's profit before tax increased from RM12.68 million in preceding quarter to RM27.96 million in current quarter.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Board expects the performance for the current financial year to be better than that achieved in the previous financial year due to the strong earnings contribution of both the construction and the property divisions.

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:

	3 Months Ended 28/02/2014 RM'000	9 Months Ended 28/02/2014 RM'000
Current tax:		
Malaysian income tax	7,360	13,155
Foreign income tax	225	858
Deferred tax	1,604	1,359
	<u>9,189</u>	<u>15,372</u>

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.



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

B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

- (i) On 2 May 2013, the Company had announced that Asian Utilities Pte Ltd (“**AUPL**”), the Company’s indirect wholly-owned subsidiary had on even date entered into a Shares Subscription Agreement (“**SSA**”) with PT. Ikhwan Power Indonesia, PT. Megatama Powerindo and PT. Ikhwan Mega Power to subscribe for 9,000 new shares of Indonesian Rupiah (IDR) 1,000,000 each representing 60% of the enlarged issued share capital of PT. Ikhwan Mega Power for a total cash subscription price of IDR 9.0 billion (equivalent to approximately RM3.0 million as at 2 May 2013) (“**Proposed Subscription**”).

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

- (ii) On 25 October 2013, the Company announced that Gadang Land Sdn Bhd, the Company’s wholly-owned subsidiary 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) On 29 October 2013, the Company had announced that AUPL had on even date entered into a Sale and Purchase of Shares Agreement (“**SPSA**”) with Angga Panji Kesuma and Aprian Eka Rahadi to acquire their respective shares amounting to 6,000 shares of nominal value IDR 1,000,000 each representing 80% of the total issued and paid-up share capital of PT. Hidronusa Rawan Energi for a purchase consideration of IDR10.80 billion (equivalent to approximately RM3.06 million as at 29 October 2013) (“**Proposed Shares Acquisition**”).

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

- (iv) 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
- (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**”)



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B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED (Continued)

(iv) (Continued)

On 23 April 2014, the shareholders of the Company approved the joint venture between Achwell Property Sdn Bhd, a wholly-owned subsidiary of Gadang Holdings Berhad, and Capital City Property Sdn Bhd for an integrated development comprising a retail podium, office suites tower blocks and hotel suites tower blocks in Bandar Johor Bahru, District of Johor Bahru, State of Johor Darul Takzim.

B7. GROUP BORROWINGS

The details of the Group borrowings are as follows:

	As at 28/02/2014		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	64,764	-	64,764
Long term borrowings	64,522	-	64,522
	<u>129,286</u>	<u>-</u>	<u>129,286</u>

Borrowings denominated in foreign currency:

	Exchange Rate		
	IDR'000	IDR100	RM'000
Indonesian Rupiah (IDR)	<u>1,139,830</u>	<u>0.0282</u>	<u>321</u>

B8. MATERIAL LITIGATION

As at 17 April 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.

B9. DIVIDEND

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



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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	
	3 Months Ended 28/02/2014	3 Months Ended 28/02/2013	9 Months Ended 28/02/2014	9 Months Ended 28/02/2013
Net profit attributable to ordinary equity holders of the Company (RM'000)	19,227	3,615	34,634	18,386
Number of ordinary shares in issue ('000)	196,691	196,691	196,691	196,691
Basic earnings per share (sen)	9.78	1.84	17.61	9.35

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 28/02/2014 RM'000	As at 28/02/2013 RM'000
Total retained profits of the Group		
- Realised	102,179	65,689
- Unrealised	(11,977)	(7,482)
Total Group's retained profits as per consolidated account	90,202	58,207

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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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:

	3 Months Ended 28/02/2014 RM'000	9 Months Ended 28/02/2014 RM'000
Bad debts written off	97	505
Depreciation and amortisation	1,190	3,619
Finance costs	179	1,074
Gain on disposal of investment in subsidiaries	-	(519)
Gain on disposal of property, plant and equipment	83	(86)
Interest income	(775)	(2,278)
Inventories written off	8	8
Loss on disposal of inventories	23	23
Property, plant and equipment written off	93	154
Recovery from provision of doubtful debts	(265)	(1,899)
Reversal of impairment losses on assets held for sale	-	(554)
Unrealised loss on foreign exchange	(21)	197

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 April 2014