



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2014**

	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/05/2014 RM'000	3 Months Ended 31/05/2013 RM'000	12 Months Ended 31/05/2014 RM'000	12 Months Ended 31/05/2013 RM'000
Revenue	138,750	97,320	540,702	356,466
Cost of sales	(117,400)	(82,081)	(450,181)	(298,108)
Gross profit	21,350	15,239	90,521	58,358
Other income	1,939	4,272	8,972	10,374
Administrative expenses	(3,801)	(3,039)	(15,144)	(12,622)
Other expenses	(5,580)	(10,209)	(18,826)	(22,040)
Finance costs	(998)	(348)	(2,072)	(1,598)
Profit before tax	12,910	5,915	63,451	32,472
Income tax expense	(3,293)	(4,256)	(18,665)	(11,809)
Net profit for the financial year	9,617	1,659	44,786	20,663
Other comprehensive income:				
Foreign currency translation	(628)	(229)	(3,479)	(867)
Total comprehensive income for the financial year	8,989	1,430	41,307	19,796
Net profit attributable to:				
Equity holders of the Company	9,257	2,084	43,891	20,470
Non-controlling interests	360	(425)	895	193
	9,617	1,659	44,786	20,663
Total comprehensive income attributable to:				
Equity holders of the Company	8,654	1,875	40,639	19,690
Non-controlling interests	335	(445)	668	106
	8,989	1,430	41,307	19,796
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	4.71	1.06	22.31	10.41

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



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2014

	UNAUDITED	AUDITED
	As At 31/05/2014 RM'000	As At 31/05/2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	61,556	64,492
Biological assets	11,771	10,643
Investment properties	19,361	25,347
Concession assets	28,458	31,026
Other investment	138	163
Goodwill	9,147	10,423
Deferred tax assets	2,252	3,812
Non-trade receivables	610	503
	133,293	146,409
Current assets		
Property development costs	131,866	140,204
Amount due from customers on contracts	50,185	35,501
Inventories	100	1,008
Trade and other receivables	111,861	45,035
Tax recoverable	5,949	2,987
Fixed deposits placed with licensed banks	71,677	53,548
Cash and bank balances	73,880	83,016
	445,518	361,299
Assets classified as held for sale	-	3,058
TOTAL ASSETS	578,811	510,766
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Company		
Share Capital	196,691	196,691
Reserves	102,111	65,898
	298,802	262,589
Non-controlling interests	2,936	3,842
Total equity	301,738	266,431



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2014 (Continued)

	UNAUDITED	AUDITED
	As At 31/05/2014 RM'000	As At 31/05/2013 RM'000
Non-current liabilities		
Non-trade payables	11,230	11,550
Bank borrowings	65,108	56,482
Deferred tax liabilities	12,443	14,502
Defined benefit obligations	1,219	1,186
	<u>90,000</u>	<u>83,720</u>
Current liabilities		
Trade and other payables	101,701	110,379
Amount due to customers on contracts	3,036	18,800
Bank borrowings	78,997	26,603
Current tax liabilities	3,339	3,903
	<u>187,073</u>	<u>159,685</u>
Liabilities classified as held for sale	-	930
Total liabilities	<u>277,073</u>	<u>244,335</u>
TOTAL EQUITY AND LIABILITIES	<u>578,811</u>	<u>510,766</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.52	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 YEAR ENDED 31 MAY 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	-	-	-	(3,252)	43,891	40,639	668	41,307
Dividends on ordinary shares	-	-	-	-	(4,426)	(4,426)	-	(4,426)
Disposal of investment in subsidiaries	-	-	-	296	(296)	-	(1,574)	(1,574)
At 31 May 2014	<u>196,691</u>	<u>6,176</u>	<u>1,347</u>	<u>(4,871)</u>	<u>99,459</u>	<u>298,802</u>	<u>2,936</u>	<u>301,738</u>
(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	<u>196,691</u>	<u>6,176</u>	<u>1,347</u>	<u>(1,915)</u>	<u>60,290</u>	<u>262,589</u>	<u>3,842</u>	<u>266,431</u>

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 YEAR ENDED 31 MAY 2014**

	UNAUDITED	AUDITED
	12 Months Ended 31/05/2014 RM'000	12 Months Ended 31/05/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	63,451	32,472
Adjustments for:		
Amortisation of biological asset	331	87
Bad debts written off	542	330
Deposits written off	56	32
Depreciation of concession assets	1,569	1,597
Depreciation of investment properties	276	105
Depreciation of property, plant and equipment	2,663	2,150
Fair value adjustments on		
- non-trade receivable	143	213
- amount due to a director	-	(1,042)
- non-trade payable	-	(2,055)
Finance costs	2,072	1,598
Gain on disposal of investment in subsidiaries	(519)	-
Gain on disposal of investment property	(538)	-
Gain on disposal of property, plant and equipment	(478)	(222)
Impairment losses on assets held for sale	-	554
Impairment losses on goodwill	-	6,872
Impairment losses on other investment	25	-
Impairment losses on trade and non-trade receivable	-	55
Impairment loss no longer required	-	(1,027)
Increase in liability for defined benefit obligations	89	317
Interest income	(3,505)	(2,168)
Inventories written off	90	-
Loss on disposal of other investment	-	21
Loss on unrealised foreign exchange	473	36
Property, plant and equipment written off	118	10
Recovery from provision of doubtful debts	(1,899)	-
Reversal of impairment losses on assets held for sale	(554)	-
Reversal of provisions	-	(2,657)
Waiver of liabilities	(547)	-
Operating profit before working capital changes	63,858	37,278
Changes in working capital:		
Property development costs	12,312	(1,503)
Biological assets	(1,459)	(3,883)
Amount due from/(to) customers on contracts	(15,626)	61,475
Assets held for sale	-	(1,190)
Inventories	818	602
Receivables	(66,248)	11,589
Payables	(8,451)	16,940
Income tax paid	(22,690)	(5,974)
Net Operating Cash Flows	(37,486)	115,334



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2014 (Continued)

	UNAUDITED	AUDITED
	12 Months Ended 31/05/2014 RM'000	12 Months Ended 31/05/2013 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,592)	(5,472)
Purchase of concession assets	(154)	(61)
Purchase of investment property	(147)	(4,563)
Proceeds from disposal of assets held for sale	1,865	-
Proceeds from disposal of investment property	2,421	-
Proceeds from disposal of other investment	-	42
Proceeds from disposal of property, plant and equipment	850	3,811
Interest received	3,505	2,168
Net Investing Cash Flows	(1,252)	(4,075)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	61,453	14,855
Advances from a director	-	(500)
Finance costs	(2,072)	(1,598)
Repayment of bank borrowings	(3,800)	(19,030)
Fixed deposits pledged as security	(22,156)	(5,606)
Repayment of hire purchase liabilities	(6,414)	(3,574)
Dividends paid to shareholders of the Company	(4,426)	(2,950)
Net Financing Cash Flows	22,585	(18,403)
Net change in cash and cash equivalents	(16,153)	92,856
Effect of exchange rate changes	(1,334)	838
Cash and cash equivalents at the beginning of the financial year	95,351	1,657
Cash and cash equivalents at the end of the financial year	77,864	95,351
Analysis of Cash and Cash Equivalents		
Cash and bank balances	73,880	83,016
Fixed deposits placed with licensed banks	71,677	53,548
Bank overdrafts	(6,071)	(1,747)
	139,486	134,817
Less: Fixed deposits pledged as security	(61,622)	(39,466)
Total	77,864	95,351

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



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 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
-----------	---

Amendments to IC Int

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



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 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 year under review.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2014

**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 year under review.

A6. CHANGES IN ESTIMATES

There were no major changes in estimates that have a material effect in the current quarter and financial year under review.

A7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year under review.

A8. DIVIDEND PAID

There was no payment of dividend in the current quarter.

A9. SEGMENTAL REPORTING

12 months ended 31 May 2014 (Current Financial Year)

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Plantation Division RM'000	Consolidated RM'000
31 May 2014						
Revenue	436,700	88,283	14,780	-	939	540,702
Results						
Segment results	35,460	30,693	5,230	(3,864)	(1,996)	65,523
Finance costs	(973)	(976)	(96)	-	(27)	(2,072)
Profit /(Loss) before tax	34,487	29,717	5,134	(3,864)	(2,023)	63,451
Income tax expense						(18,665)
Profit for the year						44,786



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2014

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

A9. SEGMENTAL REPORTING (Continued)

12 months ended 31 May 2013 (Previous Financial Year)

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Plantation Division RM'000	Consolidated RM'000
31 May 2013						
Revenue	265,665	73,516	17,151	-	134	356,466
Results						
Segment results	13,556	25,861	4,519	(9,119)	(747)	34,070
Finance costs	(957)	(229)	(282)	(108)	(22)	(1,598)
Profit /(Loss) before tax	12,599	25,632	4,237	(9,227)	(769)	32,472
Income tax expense						(11,809)
Profit for the year						20,663

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 EVENTS

- (i) On 23 May 2014, the Company proposed to undertake a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company to third party investor(s) to be identified later.

The Private Placement was completed on 4 July 2014 with the listing of 19,699,900 Placement Shares issued pursuant to the Private Placement on the Main Market of Bursa Malaysia Securities Berhad.

- (ii) On 12 June 2014, the Company announced that its wholly-owned subsidiary, Gadang Engineering (M) Sdn Bhd had on even date accepted the Letter of Award dated 11 June 2014 from PETRONAS Refinery and Petrochemical Corporation Sdn Bhd for the award of contract known as “Provision of Phase 2 Site Preparation Works for the Proposed Refinery and Petrochemical Integrated Development (RAPID) Project – Package 18C” (“the Contract) for the total estimated provisional contract price of RM350 million.

- (iii) On 2 July 2014, the Company announced that its wholly-owned subsidiary, Gadang Land Sdn Bhd had on even date acquired two (2) ordinary shares of RM1 each representing 100% of the issued and paid-up share capital of Tema Warisan Sdn Bhd (“TWSB”) for a total purchase consideration of RM2. With this acquisition, TWSB became an indirect wholly-owned subsidiary of the Company. TWSB is currently dormant company and its intended principal activity shall be property management and maintenance.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2014

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

A11. SIGNIFICANT SUBSEQUENT EVENTS (Continued)

(iv) On 21 July 2014, the Company announced that its indirect wholly-owned subsidiary, Asian Utilities Pte Ltd had on even date entered into a Sale and Purchase of Shares Agreement ("SPSA") with Nanang Mohamad Sjahbudi, Thomas Luciana and Johanes Himawan (hereinafter collectively referred to as the "Sellers") to acquire their respective shares amounting to 700 shares of nominal value IDR 1,000,000 each representing 70% of the total issued and paid-up capital of PT. Dewata Bangun Tirta for a purchase consideration of IDR55 billion (equivalent to approximately RM15.07 million).

A12. CHANGES IN COMPOSITION OF THE GROUP

On 9 May 2014, the Company announced that following an application made to the Companies Commission of Malaysia ("CCM") for voluntary striking off of New-Mix Concrete Industries Sdn Bhd ("New-Mix"), a dormant indirect wholly-owned subsidiary of the Company, CCM had in its letter dated 29 April 2014 advised that New-Mix will be struck off the register and dissolved upon the expiration of 3 months from 29 April 2014 under Section 308(2) of the Companies Act, 1965.

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 28 February 2014	206,107
Increase during the period	8,311
As at 31 May 2014	<u>214,418</u>

A14. CAPITAL COMMITMENTS

	As At 31/05/2014 RM'000
Approved and contracted for	
- Balance of purchase consideration for property acquisitions as per Sale and Purchase Agreement	30,800
Approved and not contracted for	
- Oil palm plantations development	1,700
- Investments for the Utility Division	6,060
	<u>38,560</u>



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 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 RM138.75 million, an increase of 42.57% over the corresponding quarter of the preceding year. The Group's profit before tax increased by 118.26% to RM12.91 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 activities.

For the current year to-date, the Group achieved revenue of RM540.70 million, an increase of 51.68% over the preceding year to-date. The Group's profit before tax surged substantially to RM63.45 million, representing a growth of 95.40% as compared to the preceding year to-date. The increase in revenue and profit before tax was mainly due to higher contributions and better margins from construction activities.

Further analysis of the divisional performances is as follows:

UNAUDITED		UNAUDITED		UNAUDITED	AUDITED
INDIVIDUAL QUARTER		CUMULATIVE PERIOD			
3 Months	3 Months	12 Months	12 Months		
Ended	Ended	Ended	Ended		
31/05/2014	31/05/2013	31/05/2014	31/05/2013		
RM'000	RM'000	RM'000	RM'000		

REVENUE

Construction Division	119,375	79,055	436,700	265,665
Property Division	14,995	13,676	88,283	73,516
Utility Division	3,921	4,476	14,780	17,151
Plantation Division	459	113	939	134
Investment Holding	-	-	-	-
	<u>138,750</u>	<u>97,320</u>	<u>540,702</u>	<u>356,466</u>

PROFIT BEFORE TAX

Construction Division	10,078	7,501	34,487	12,599
Property Division	3,892	4,184	29,717	25,632
Utility Division	714	1,227	5,134	4,237
Plantation Division	(432)	(218)	(2,023)	(769)
Investment Holding	(1,342)	(6,779)	(3,864)	(9,227)
	<u>12,910</u>	<u>5,915</u>	<u>63,451</u>	<u>32,472</u>

Construction Division

Revenue and profit before tax for the current quarter increased to RM119.38 million and RM10.08 million respectively as compared to 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 RM436.70 million and RM34.49 million respectively.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 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 RM15.00 million and year to-date of RM88.28 million increased by 9.64% and 20.09% respectively as compared to the previous year corresponding period.

The Division recorded profit before tax of RM3.89 million for the current quarter and RM29.72 million for the year to-date. The better performance was mainly driven by improved profit margin realised for the commercial and residential project under Phase 1 located in Tampoi, namely Jentayu Residensi.

Utility Division

Revenue for the current quarter of RM3.92 million and year to-date of RM14.78 million decreased by 12.40% and 13.82% 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 41.81% to RM0.71 million for the current quarter. However, current year to-date profit before tax increased by 21.17% to RM5.13 million mainly due to gain on the disposal of investment in subsidiaries.

Plantation Division

Revenue for the current quarter and year to-date increased to RM0.46 million and RM0.94 million respectively as compared to previous year corresponding period mainly due to higher harvesting activities.

Loss before tax increased to RM0.43 million and RM2.02 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	UNAUDITED	UNAUDITED	UNAUDITED
	3 Months Ended 31/05/2014 RM'000	3 Months Ended 28/02/2014 RM'000	3 Months Ended 31/05/2014 RM'000	3 Months Ended 28/02/2014 RM'000
	REVENUE		PROFIT BEFORE TAX	
Construction Division	119,375	110,300	10,078	12,334
Property Division	14,995	34,235	3,892	17,067
Utility Division	3,921	2,754	714	981
Plantation Division	459	189	(432)	(524)
Investment Holding	-	-	(1,342)	(1,894)
	138,750	147,478	12,910	27,964



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 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 lower revenue of RM138.75 million for the current quarter as compared to RM147.48 million in preceding quarter. The reason for the higher revenue in preceding quarter was attributed by higher progress billings for the commercial and residential project under Phase 1 located in Tampoi.

In line with the above, the Group's profit before tax decreased from RM27.96 million in preceding quarter to RM12.91 million in current quarter.

B3. PROSPECTS FOR THE NEW FINANCIAL YEAR ENDING 31 MAY 2015

The Group recorded an encouraging revenue growth with stronger financial performance for FYE 2014 and the business momentum is expected to be strong for the financial year 2015 based on the following developments:-

- The Construction Division's earnings are expected to further improve as work progress for existing projects will accelerate with fast tracking of the major infrastructure activities. The commencement of the newly procured project known as "Provision of Phase 2 Site Preparation Works for the Proposed Refinery and Petrochemical Integrated Development (RAPID) Project – Package 18C" will further enhance the Division's earnings;
- The Property Division's strong financial performance is further enhanced by the positive launch of the Salak South high rise residential project, namely The Vyne and the commencement of the joint venture project with Capital City Property Sdn Bhd for an integrated development in Bandar Johor Bahru i.e. Capital City;
- The Utility Division's earnings will also improve with the acquisition of PT. Dewata Bangun Tirta and the revised water tariff as local consumption improves; and
- The Plantation Division, although will continue to show marginal losses, will not impact the Group's performance.

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 REPORT FOR THE QUARTER ENDED 31 MAY 2014

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

B5. TAXATION

Taxation comprises the following:

	3 Months Ended 31/05/2014 RM'000	12 Months Ended 31/05/2014 RM'000
Income tax expense:		
Malaysian income tax	4,742	17,897
Foreign income tax	415	1,273
Deferred tax	<u>(1,864)</u>	<u>(505)</u>
	<u>3,293</u>	<u>18,665</u>

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

B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

- (i) On 7 August 2013, the Company had accepted the Letter of Acceptance from Cyberview Sdn Bhd dated 5 August 2013 as the Developer Partner to develop 2,500 housing units on the land in Cyberjaya, Selangor Darul Ehsan (“the Project”) based on the terms and conditions therein.

On 23 May 2014, the Company had entered into a joint development agreement with Cyberview Sdn Bhd and Hillstrand Development Sdn Bhd (“Hillstrand” or “the Developer”), the Company’s indirect wholly-owned subsidiary in respect of the Project.

The Project is a mixed development with an estimated gross development value of approximately RM1.055 billion comprising:

- a) 2,500 housing units (inclusive of 150 units of the Government Quarters and 794 units of PR1MA apartment units); and
- b) commercial development with a plot ratio of 1:2 on a plot of land measuring 10.44 acres. (“the Proposed Development”)

The plans for the Proposed Development which had been submitted to the appropriate authorities for the Planning Permission approval were endorsed by the said authorities in June 2014.

- (ii) 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.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2014

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

B7. GROUP BORROWINGS

The details of the Group borrowings are as follows:

	As at 31/05/2014		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	78,997	-	78,997
Long term borrowings	65,108	-	65,108
	<u>144,105</u>	<u>-</u>	<u>144,105</u>

Borrowings denominated in foreign currency:

	Exchange Rate		
	IDR'000	IDR100	RM'000
Indonesian Rupiah (IDR)	<u>997,351</u>	<u>0.0275</u>	<u>274</u>

B8. MATERIAL LITIGATION

As at 17 July 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

The Board has proposed a first and final single tier dividend of 4 sen per share in respect of the financial year ended 2014 for approval of the shareholders at the forthcoming annual general meeting. The entitlement date and the payment date of the proposed first and final single tier dividend shall be announced later.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2014

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

B10. EARNINGS PER SHARE

Basic earnings per share

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/05/2014	3 Months Ended 31/05/2013	12 Months Ended 31/05/2014	12 Months Ended 31/05/2013
Net profit attributable to ordinary equity holders of the Company (RM'000)	9,257	2,084	43,891	20,470
Number of ordinary shares in issue ('000)	196,691	196,691	196,691	196,691
Basic earnings per share (sen)	<u>4.71</u>	<u>1.06</u>	<u>22.31</u>	<u>10.41</u>

B11. DISCLOSURE OF REALISED AND UNREALISED PROFITS

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profit or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group as at 31 May 2014, into realised and unrealised profits, pursuant to the directive, is as follows:

	As at 31/05/2014 RM'000	As at 31/05/2013 RM'000
Total retained profits of the Group		
- Realised	109,650	70,980
- Unrealised	(10,191)	(10,690)
Total Group's retained profits as per consolidated account	<u>99,459</u>	<u>60,290</u>

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

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



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2014

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

B12. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Current Quarter 31/05/2014 RM'000	Current Year-to-date 31/05/2014 RM'000
Bad debt written off	37	542
Deposits written off	56	56
Depreciation and amortisation	1,220	4,839
Fair value gain on receivables	(37)	(37)
Fair value loss on receivables	180	180
Finance costs	998	2,072
Gain on disposal of investment in subsidiaries	-	(519)
Gain on disposal of investment property	(538)	(538)
Gain on disposal of property, plant and equipment	(392)	(478)
Impairment losses on other investments	25	25
Interest income	(1,227)	(3,505)
Inventories written off	59	90
Property, plant and equipment written off	(36)	118
Recovery from provision of doubtful debts	-	(1,899)
Reversal of impairment losses on assets held for sale	-	(554)
Unrealised loss on foreign exchange	276	473
Waiver of liabilities	(547)	(547)

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 July 2014