



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2016**

| | UNAUDITED | | UNAUDITED | | UNAUDITED | | AUDITED | |
|--|---|---|--|--|-----------|--|---------|--|
| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | | | | | |
| | 3 Months Ended 31/05/2016 RM'000 | 3 Months Ended 31/05/2015 RM'000 | 12 Months Ended 31/05/2016 RM'000 | 12 Months Ended 31/05/2015 RM'000 | | | | |
| Revenue | 248,859 | 169,755 | 676,136 | 587,398 | | | | |
| Cost of sales | (201,848) | (127,295) | (520,503) | (461,150) | | | | |
| Gross profit | 47,011 | 42,460 | 155,633 | 126,248 | | | | |
| Other income | 6,708 | 9,386 | 16,714 | 15,951 | | | | |
| Administrative expenses | (4,803) | (4,639) | (21,025) | (18,216) | | | | |
| Depreciation and amortisation | (1,540) | (1,085) | (6,073) | (5,615) | | | | |
| Operating expenses | (3,431) | (5,070) | (12,991) | (22,418) | | | | |
| Other expenses | (5,498) | (7,755) | (5,615) | (8,616) | | | | |
| Finance costs | (643) | (524) | (2,562) | (2,510) | | | | |
| Profit before tax | 37,804 | 32,773 | 124,081 | 84,824 | | | | |
| Income tax expense | (7,090) | (6,805) | (29,443) | (24,043) | | | | |
| Net profit for the financial year | 30,714 | 25,968 | 94,638 | 60,781 | | | | |
| Other comprehensive income: | | | | | | | | |
| Foreign currency translation | (1,857) | (56) | 3,784 | 295 | | | | |
| Total comprehensive income for the financial year | 28,857 | 25,912 | 98,422 | 61,076 | | | | |
| Net profit attributable to: | | | | | | | | |
| Equity holders of the Company | 30,499 | 25,404 | 94,193 | 59,620 | | | | |
| Non-controlling interests | 215 | 564 | 445 | 1,161 | | | | |
| | 30,714 | 25,968 | 94,638 | 60,781 | | | | |
| Total comprehensive income attributable to: | | | | | | | | |
| Equity holders of the Company | 28,806 | 25,366 | 97,634 | 59,888 | | | | |
| Non-controlling interests | 51 | 546 | 788 | 1,188 | | | | |
| | 28,857 | 25,912 | 98,422 | 61,076 | | | | |
| Earnings per share attributable to equity holders of the Company: | | | | | | | | |
| Basic (sen) | 13.18 | 11.84 | 40.70 | 27.79 | | | | |
| Diluted (sen) | N/A | 11.40 | N/A | 26.76 | | | | |

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2015.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2016

| | UNAUDITED | AUDITED |
|---|--|--|
| | As At 31/05/2016 RM'000 | As At 31/05/2015 RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 76,425 | 93,061 |
| Biological assets | 12,494 | 12,446 |
| Investment properties | 17,045 | 19,103 |
| Concession assets | 59,925 | 46,052 |
| Other investment | 100 | 100 |
| Goodwill | 17,690 | 16,717 |
| Deferred tax assets | 20,335 | 4,202 |
| Non-trade receivables | 666 | 612 |
| Land held for property development | 3,881 | - |
| | <u>208,561</u> | <u>192,293</u> |
| Current assets | | |
| Property development costs | 483,695 | 200,048 |
| Amount due from customers on contracts | 50,753 | 13,287 |
| Inventories | 3,353 | 3,283 |
| Trade and other receivables | 183,807 | 178,275 |
| Tax recoverable | 5,120 | 6,255 |
| Short term funds | 106,635 | - |
| Fixed deposits placed with licensed banks | 86,149 | 122,415 |
| Cash and bank balances | 101,428 | 110,247 |
| | <u>1,020,940</u> | <u>633,810</u> |
| TOTAL ASSETS | <u>1,229,501</u> | <u>826,103</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to Equity Holders of the Company | | |
| Share Capital | 258,623 | 216,369 |
| Reserves | 270,027 | 164,987 |
| | <u>528,650</u> | <u>381,356</u> |
| Non-controlling interests | 7,775 | 7,030 |
| Total equity | <u>536,425</u> | <u>388,386</u> |



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2016 (Continued)

| | UNAUDITED | AUDITED |
|--|--|--|
| | As At 31/05/2016 RM'000 | As At 31/05/2015 RM'000 |
| Non-current liabilities | | |
| Non-trade payables | 130,927 | 2,094 |
| Bank borrowings | 164,414 | 91,766 |
| Deferred tax liabilities | 10,901 | 9,004 |
| Defined benefit obligations | 1,547 | 1,229 |
| | <u>307,789</u> | <u>104,093</u> |
| Current liabilities | | |
| Trade and other payables | 263,899 | 159,118 |
| Amount due to customers on contracts | 43,629 | 68,363 |
| Bank borrowings | 56,954 | 101,246 |
| Current tax liabilities | 20,805 | 4,897 |
| | <u>385,287</u> | <u>333,624</u> |
| Total liabilities | <u>693,076</u> | <u>437,717</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,229,501</u> | <u>826,103</u> |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 2.04 | 1.76 |

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2015.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MAY 2016

| | Attributable to Equity Holders of the Company | | | | | | Total | Non-controlling Interest | Total Equity |
|--|---|-----------------|-----------------|---------------|--------------------------|------------------|-----------------|--------------------------|-----------------|
| | Non-Distributable | | | Distributable | | | | | |
| | Share Capital | Warrant Reserve | Capital Reserve | Share Premium | Foreign Exchange Reserve | Retained Profits | | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| (UNAUDITED) | | | | | | | | | |
| At 1 June 2015 | 216,369 | 6,173 | 1,347 | 12,736 | (4,614) | 149,345 | 381,356 | 7,030 | 388,386 |
| Total comprehensive income | - | - | - | - | 3,441 | 94,193 | 97,634 | 788 | 98,422 |
| Dividends on ordinary shares | - | - | - | - | - | (11,756) | (11,756) | - | (11,756) |
| Striking off subsidiary companies | - | - | - | - | 17 | (17) | - | - | - |
| Issue of shares upon exercise of warrants | 42,254 | (5,885) | - | 25,305 | - | - | 61,674 | - | 61,674 |
| Transfer to retained earning upon expiry of warrants | - | (288) | - | - | - | 288 | - | - | - |
| Changes in ownership interest in subsidiary (effects of change in stake) | - | - | - | - | - | (258) | (258) | (43) | (301) |
| At 31 May 2016 | 258,623 | - | 1,347 | 38,041 | (1,156) | 231,795 | 528,650 | 7,775 | 536,425 |



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2016 (Continued)

| | ←————— Attributable to Equity Holders of the Company —————→ | | | | | | Total | Non- controlling Interest | Total Equity |
|--|---|-----------------|-----------------|----------------------|--------------------------|------------------|----------------|---------------------------------|----------------|
| | ←————— Non-Distributable | | | —————→ Distributable | | | | | |
| | Share Capital | Warrant Reserve | Capital Reserve | Share Premium | Foreign Exchange Reserve | Retained Profits | | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| (AUDITED) | | | | | | | | | |
| At 1 June 2014 | 196,691 | 6,176 | 1,347 | - | (4,871) | 98,793 | 298,136 | 3,195 | 301,331 |
| Total comprehensive income | - | - | - | - | 268 | 59,620 | 59,888 | 1,188 | 61,076 |
| Issuance of ordinary share capital | 19,670 | - | - | 12,736 | - | - | 32,406 | - | 32,406 |
| Dividends on ordinary shares | - | - | - | - | - | (8,654) | (8,654) | - | (8,654) |
| Issue of shares upon exercise of warrants | 8 | (3) | - | - | - | - | 5 | - | 5 |
| Changes in ownership interest in subsidiary (effects of change in stake) | - | - | - | - | - | - | - | (416) | (416) |
| Investment in subsidiaries | - | - | - | - | (11) | (414) | (425) | 3,063 | 2,638 |
| At 31 May 2015 | 216,369 | 6,173 | 1,347 | 12,736 | (4,614) | 149,345 | 381,356 | 7,030 | 388,386 |

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 2015.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2016**

| | UNAUDITED | AUDITED |
|---|--|--|
| | 12 Months Ended 31/05/2016 RM'000 | 12 Months Ended 31/05/2015 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 124,081 | 84,824 |
| Adjustments for: | | |
| Amortisation of biological assets | 450 | 384 |
| Bad debts recovered | - | (273) |
| Depreciation of concession assets | 2,203 | 1,882 |
| Depreciation of investment properties | 258 | 258 |
| Depreciation of property, plant and equipment | 23,476 | 20,583 |
| Fair value adjustments on: | | |
| - trade and other receivables | (4,669) | 6,182 |
| - amount owing to a director | 570 | 36 |
| - trade and other payables | (318) | (4,140) |
| Finance costs | 5,801 | 7,406 |
| Gain on bargain purchase | - | (206) |
| Gain on disposal of property, plant and equipment | (1,905) | (961) |
| Impairment loss on: | | |
| - investment property | 1,800 | - |
| - goodwill | - | 2 |
| - trade and other receivables | 1,203 | - |
| - concession assets | - | 276 |
| Increase in liability for defined benefit obligations | 318 | 10 |
| Interest income | (7,132) | (5,287) |
| Property, plant and equipment written off | 132 | 32 |
| Unrealised (gain)/loss on foreign exchange | (1,034) | 1,436 |
| Waiver of liability | (45) | - |
| Operating profit before working capital changes | 145,189 | 112,444 |
| Changes in working capital: | | |
| Property development costs | (287,528) | (62,388) |
| Biological assets | (497) | (1,059) |
| Amount due from/(to) customers on contracts | (62,200) | 95,065 |
| Inventories | (70) | (1,097) |
| Receivables | (2,121) | (53,139) |
| Payables | 233,408 | 31,523 |
| Net income tax paid | (26,452) | (28,129) |
| Net Operating Cash Flows | (271) | 93,220 |



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2016 (Continued)**

| | UNAUDITED | AUDITED |
|--|--|--|
| | 12 Months Ended 31/05/2016 RM'000 | 12 Months Ended 31/05/2015 RM'000 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (3,204) | (28,550) |
| Purchase of concession assets | (13,568) | (4,309) |
| Acquisition of subsidiaries | (301) | (16,876) |
| Proceeds from disposal of: | | |
| - other investment | - | 38 |
| - property, plant and equipment | 4,116 | 1,051 |
| Interest received | 7,132 | 5,287 |
| Net Investing Cash Flows | (5,825) | (43,359) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown of bank borrowings | 95,147 | 111,779 |
| Finance costs | (5,801) | (7,406) |
| Proceeds from issue of share capital | 42,931 | 32,406 |
| Proceeds from issue of shares upon exercise of warrants | 18,743 | 6 |
| Repayment of: | | |
| - bank borrowings | (63,669) | (80,075) |
| - hire purchase liabilities | (10,353) | (7,772) |
| Fixed deposits pledged as security values | 2,460 | 5,598 |
| Dividend paid | (11,755) | (8,655) |
| Net Financing Cash Flows | 67,703 | 45,881 |
| Net change in cash and cash equivalents | 61,607 | 95,742 |
| Effect of exchange rate changes | 803 | (1,798) |
| Cash and cash equivalents at the beginning of the financial year | 170,098 | 76,154 |
| Cash and cash equivalents at the end of the financial year | 232,508 | 170,098 |
| Analysis of Cash and Cash Equivalents | | |
| Cash and bank balances | 101,428 | 110,247 |
| Short term funds | 106,635 | - |
| Fixed deposits placed with licensed banks | 86,149 | 122,415 |
| Bank overdrafts | (6,146) | (4,867) |
| | 288,066 | 227,795 |
| Less: Fixed deposits pledged as security | (55,558) | (57,697) |
| Total | 232,508 | 170,098 |

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2015.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2016

**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 2015. 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 2015.

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 2015, except for the following amendments/improvements to FRSs:

Amendments/Improvements to FRSs

| | |
|---------|---|
| FRS 2 | Share-based Payment [Annual Improvements to FRSs 2010-2012 Cycle] |
| FRS 3 | Business Combinations [Annual Improvements to FRSs 2010-2012 Cycle and 2011-2013 Cycle] |
| FRS 8 | Operating Segments [Annual Improvements to FRSs 2010-2012 Cycle] |
| FRS 13 | Fair Value Measurement [Annual Improvements to FRSs 2011-2013 Cycle] |
| FRS 116 | Property, Plant and Equipment [Annual Improvements to FRS 2010-2012 Cycle] |
| FRS 119 | Employee Benefits [Defined Benefit Plans: Employee Contributions] |
| FRS 124 | Related Party Disclosures [Annual Improvements to FRSs 2010-2012 Cycle] |
| FRS 138 | Intangible Assets [Annual Improvements to FRSs 2010-2012 Cycle] |
| FRS 140 | Investment Property [Annual Improvement to FRSs 2011-2013 Cycle] |

The adoption of these amendments/improvements to FRSs do not have a material impact on the financial statements of the Group.

FRSs and Amendments to FRSs issued but not yet effective

| Standard | Title | Effective Date |
|-----------------|--|-----------------------|
| FRS 5 | Non-current Assets Held for Sale and Discontinued Operations [Annual Improvements to FRSs 2012-2014 Cycle] | 1 January 2016 |
| FRS 7 | Financial Instruments: Disclosure [Annual Improvements to FRSs 2012-2014 Cycle] | 1 January 2016 |
| FRS 9 | Financial Instruments [IFRS 9 as issued by IASB in July 2014] | 1 January 2018 |
| FRS 10 | Consolidated Financial Statements [Investment Entities: Applying the Consolidation Exception] | 1 January 2016 |
| FRS 11 | Joint Arrangements [Accounting for Acquisitions of Interest in Joint Operations] | 1 January 2016 |
| FRS 12 | Disclosure of Interests in Other Entities [Investment Entities: Applying the Consolidation Exception] | 1 January 2016 |



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2016

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

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

FRSs and Amendments to FRSs issued but not yet effective (Continued)

| Standard | Title | Effective Date |
|-----------------|---|-----------------------|
| FRS 14 | Regulatory Deferral Accounts | 1 January 2016 |
| FRS 101 | Presentation of Financial Statements [Disclosure Initiative] | 1 January 2016 |
| FRS 107 | Statements of Cash Flows [Disclosure Initiative] | 1 January 2017 |
| FRS 112 | Income Taxes [Recognition of Deferred Tax Assets for Unrealised Losses] | 1 January 2017 |
| FRS 116 | Property, Plant and Equipment [Depreciation and Amortisation] | 1 January 2016 |
| FRS 119 | Employee Benefits [Annual Improvements to FRSs 2012-2014 Cycle] | 1 January 2016 |
| FRS 128 | Investment in Associates and Joint Ventures [Sale or Contribution of Assets between an Investor and its Associate or Joint Venture] | 1 January 2016 |
| FRS 128 | Investment Entities [Applying the Consolidation Exception] | 1 January 2016 |
| FRS 134 | Interim Financial Reporting [Annual Improvements to FRSs 2012-2014 Cycle] | 1 January 2016 |
| FRS 138 | Intangible Assets [Clarification of Acceptable Methods of Depreciation and Amortisation] | 1 January 2016 |

The Group will apply the above new FRSs and amendments that are applicable once they become effective. The adoption of the above new FRSs and amendments to FRSs is not expected to have any material impact on the financial statements of the Group.

Malaysian Financial Reporting Standards ("MFRSs")

Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; 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").

As further announced by MASB on 28 October 2015, the Transitioning Entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

Accordingly, as a Transitioning Entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRSs financial statements for the financial year ending 31 May 2019. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

A3. AUDIT REPORT

The auditors' report on the Group's annual financial statements for the financial year ended 31 May 2015 was not subject to any audit qualification.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2016

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

A4. SEASONAL OR CYCLICAL FACTORS

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

A5. UNUSUAL SIGNIFICANT ITEMS

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

A6. CHANGES IN ESTIMATES

There were no major changes in estimates that have any material effect in the current quarter under review.

A7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter, except for the issuance of 23,511,000 ordinary shares of RM1.00 each pursuant to the private placement exercise which was completed on 28 April 2016.

A8. DIVIDEND PAID

There was no payment of dividend in the current quarter.

A9. SEGMENTAL REPORTING

12 months ended 31 May 2016 (Current Financial Year)

| | Construction Division RM'000 | Property Division RM'000 | Utility Division RM'000 | Plantation Division RM'000 | Investment Holding RM'000 | Consolidated RM'000 |
|-------------------------------|------------------------------------|--------------------------------|-------------------------------|----------------------------------|---------------------------------|------------------------|
| 31 May 2016 | | | | | | |
| Revenue | 480,639 | 172,724 | 20,899 | 1,874 | - | 676,136 |
| Results | | | | | | |
| Segment results | 72,054 | 54,598 | 5,495 | (1,561) | (3,943) | 126,643 |
| Finance costs | (542) | (1,484) | (519) | (17) | - | (2,562) |
| Profit /(Loss) before tax | 71,512 | 53,114 | 4,976 | (1,578) | (3,943) | 124,081 |
| Income tax expense | | | | | | (29,443) |
| Profit for the financial year | | | | | | 94,638 |



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2016

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

A9. SEGMENTAL REPORTING (Continued)

12 months ended 31 May 2015 (Previous Financial Year)

| | Construction Division RM'000 | Property Division RM'000 | Utility Division RM'000 | Plantation Division RM'000 | Investment Holding RM'000 | Consolidated RM'000 |
|-------------------------------|------------------------------------|--------------------------------|-------------------------------|----------------------------------|---------------------------------|------------------------|
| 31 May 2015 | | | | | | |
| Revenue | 449,662 | 119,721 | 16,682 | 1,333 | - | 587,398 |
| Results | | | | | | |
| Segment results | 50,020 | 41,441 | 2,679 | (1,702) | (5,104) | 87,334 |
| Finance costs | (781) | (1,678) | (28) | (23) | - | (2,510) |
| Profit /(Loss) before tax | 49,239 | 39,763 | 2,651 | (1,725) | (5,104) | 84,824 |
| Income tax expense | | | | | | (24,043) |
| Profit for the financial year | | | | | | 60,781 |

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 2015.

A11. SIGNIFICANT SUBSEQUENT EVENT

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

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter and year ended 31 May 2016 other than the following:-

- (a) On 13 July 2015, the names of the Company’s two (2) dormant indirect wholly-owned subsidiaries, Green Water Investment Pte. Ltd. and Asian Energy Pte. Ltd. have been struck off from the register of the Accounting and Corporate Regulatory Authority Singapore (“ACRA”).
- (b) On 26 August 2015, the Company’s indirect wholly-owned subsidiary, Asian Utilities Pte Ltd (“AUPL”) completed its acquisition of an additional 300 shares representing 10% of the equity interest in PT. Dewata Bangun Tirta (“PTDBT”) from the minority shareholders for a total cash consideration of IDR1.0 billion. Following the acquisition, AUPL’s equity interest in PTDBT increased from 85% to 95%.
- (c) On 18 March 2016, the Company’s wholly-owned subsidiary, Gadang International (HK) Limited (“GIHKL”) has been deregistered pursuant to an application for voluntary deregistration made by GIHKL to the Companies Registry of Hong Kong.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2016

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

A13. CHANGES IN CONTINGENT LIABILITIES

Corporate guarantees given by the Company to trade suppliers and various financial institutions for credit and hire purchase facilities granted to subsidiary companies are as follows:

| | RM'000 |
|----------------------------|----------------|
| As at 28 February 2016 | 469,889 |
| Decrease during the period | (88,847) |
| As at 31 May 2016 | <u>381,042</u> |

A14. CAPITAL COMMITMENTS

| | As At 31/05/2016 RM'000 |
|--|--|
| Approved and not contracted for | |
| - Oil palm plantations development | 462 |
| | <u>462</u> |



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2016

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

During the current quarter, the Group recorded revenue of RM248.86 million as compared to RM169.76 million in the corresponding quarter of the preceding year. The Group's profit before tax increased to RM37.80 million as compared to RM32.77 million in the corresponding quarter of the preceding year.

For the current year to date, revenue increased to RM676.14 million. Profit before tax increased by 46.3% to RM124.08 million. The increase in profit before tax was mainly due to improved profit margins from construction activities and higher contributions from property division.

Tabulated below is the various divisional contributions:-

| UNAUDITED | | UNAUDITED | | UNAUDITED | | AUDITED | |
|---------------------------|--------------------------|---------------------------|--------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
| INDIVIDUAL QUARTER | | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | | CUMULATIVE PERIOD | |
| 3 Months Ended 31/05/2016 | 3 Months Ended 31/5/2015 | 3 Months Ended 31/05/2016 | 3 Months Ended 31/5/2015 | 12 Months Ended 31/05/2016 | 12 Months Ended 31/5/2015 | 12 Months Ended 31/05/2016 | 12 Months Ended 31/5/2015 |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |

REVENUE

| | | | | |
|-----------------------|----------------|----------------|----------------|----------------|
| Construction Division | 180,051 | 131,458 | 480,639 | 449,662 |
| Property Division | 63,295 | 33,647 | 172,724 | 119,721 |
| Utility Division | 4,881 | 4,164 | 20,899 | 16,682 |
| Investment Holding | - | - | - | - |
| Plantation Division | 632 | 486 | 1,874 | 1,333 |
| | <u>248,859</u> | <u>169,755</u> | <u>676,136</u> | <u>587,398</u> |

PROFIT BEFORE TAX

| | | | | |
|-----------------------|---------------|---------------|----------------|---------------|
| Construction Division | 21,229 | 23,147 | 71,512 | 49,239 |
| Property Division | 17,408 | 10,822 | 53,114 | 39,763 |
| Utility Division | 1,349 | 299 | 4,976 | 2,651 |
| Investment Holding | (2,017) | (1,184) | (3,943) | (5,104) |
| Plantation Division | (165) | (311) | (1,578) | (1,725) |
| | <u>37,804</u> | <u>32,773</u> | <u>124,081</u> | <u>84,824</u> |

Construction Division

For the current quarter, revenue increased to RM180.05 million as compared to RM131.46 million in the corresponding quarter of the preceding year. Profit before tax decreased to RM21.23 million as compared to RM23.15 million in the corresponding quarter of the preceding year.

Revenue for the current year to date increased by 6.9% to RM480.64 million as compared to RM449.67 million recorded in the preceding year to date. Profit before tax increased by 45.2% to RM71.51 million in the current year to date. This was mainly due to improved profit margins achieved for various on-going projects.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2016

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

For the current quarter, revenue increased to RM63.30 million as compared to RM33.65 million in the corresponding quarter of the preceding year. Profit before tax increased to RM17.41 million as compared to RM10.82 million in the corresponding quarter of the preceding year.

Revenue for the current year to date increased by 44.3% to RM172.72 million and profit before tax increased by 33.6% from RM39.76 million to RM53.11 million. This was mainly due to higher development progress for various projects.

Utility Division

Revenue for the current quarter and year to date increased to RM4.88 million and RM20.90 million respectively as compared to the corresponding period of the preceding year. This was mainly due to the contribution from the newly acquired subsidiary, PT Dewata Bangun Tirta.

Profit before tax for the current year to date increased to RM4.98 million as compared to RM2.65 million in the preceding year to date.

Plantation Division

Revenue for the current quarter and year to date increased to RM0.63 million and RM1.87 million respectively as compared to the corresponding period of the preceding year mainly due to higher harvesting activities. Loss before tax for the current year to date decreased to RM1.58 million as compared to the corresponding period of the preceding year.

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

| | UNAUDITED 3 Months Ended 31/05/2016 RM'000 | UNAUDITED 3 Months Ended 28/2/2016 RM'000 | UNAUDITED 3 Months Ended 31/05/2016 RM'000 | UNAUDITED 3 Months Ended 28/2/2016 RM'000 |
|-----------------------|--|---|--|---|
| | REVENUE | | PROFIT BEFORE TAX | |
| Construction Division | 180,051 | 122,727 | 21,229 | 22,040 |
| Property Division | 63,295 | 47,368 | 17,408 | 13,349 |
| Utility Division | 4,881 | 5,504 | 1,349 | 1,588 |
| Investment Holding | - | - | (2,017) | (1,457) |
| Plantation Division | 632 | 316 | (165) | (617) |
| | 248,859 | 175,915 | 37,804 | 34,903 |



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2016

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 RM248.86 million for the current quarter as compared to RM175.92 million in the preceding quarter mainly due to higher progress billings for work done from on-going construction and property development activities.

In line with this, the Group's profit before tax increased from RM34.90 million in the preceding quarter to RM37.80 million in the current quarter.

B3. BUSINESS PROSPECTS

The Board is mindful of the weak economic condition even with the numerous capital intensive infrastructure projects that are to be implemented over the new financial year, which provides ample growth opportunities for the Group.

However, assessing on the overall market developments and tight lending policies, the Group shall:-

- stay focused on executing its current construction activities involving on-going infrastructure projects to protect its construction margins against cost escalation;
- realign its property development plans to suit market conditions and consumer demand;
- expand on the Indonesian utility operations, with water production capacities to be increased and the mini-hydro concessions to be fast-tracked for early completion; and
- optimise the plantation harvesting activities to improve on overall revenue.

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 31/05/2016 RM'000 | 12 Months Ended 31/05/2016 RM'000 |
|----------------------|---|--|
| Income tax expense: | | |
| Malaysian income tax | (23,085) | (42,174) |
| Foreign income tax | (330) | (1,517) |
| Deferred tax | 16,325 | 14,248 |
| | <u>(7,090)</u> | <u>(29,443)</u> |

The Group's effective tax rate for the current financial year was lower than the statutory tax rate mainly due to certain subsidiaries have unutilised tax losses and unabsorbed capital allowance to set-off against current taxable profits.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2016

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

There were no pending corporate proposals.

B7. UTILISATION OF PROCEEDS

(a) The status of the utilisation of proceeds of RM33,045,432 raised from the Private Placement in 2014 as at the date of this report is as follows:-

| Purpose | Proposed utilisation RM'000 | Actual utilisation as at 31 May 2016 RM'000 | Balance unutilised as at 31 May 2016 RM'000 | Intended timeframe for utilisation from the date of listing |
|--|--------------------------------|---|---|---|
| Investments in Utility | 27,295 | (27,295) | - | Within 24 months |
| Investments in Plantation | 5,000 | (3,300) | 1,700 | Within 24 months |
| Expenses relating to the Private Placement | 750 | (750)* | - | Within 1 month |
| | 33,045 | (31,345) | 1,700 | |

(b) The status of the utilisation of proceeds of RM43,495,350 raised from the Private Placement in 2016 as at the date of this report is as follows:-

| Purpose | Proposed utilisation RM'000 | Actual utilisation as at 31 May 2016 RM'000 | Balance unutilised as at 31 May 2016 RM'000 | Intended timeframe for utilisation from the date of listing |
|--|--------------------------------|---|---|---|
| Investments in Property Division | 42,795 | (5,000) | 37,795 | Within 24 months |
| Expenses relating to the Private Placement | 700 | (700)* | - | Within 1 month |
| | 43,495 | (5,700) | 37,795 | |

*Note: The balance unutilised has been used for the working capital of the Group in its existing business.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2016

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

B8. GROUP BORROWINGS

The details of the Group borrowings are as follows:

| | As at 31/05/2016 | | Total RM'000 |
|-------------------------|-------------------|---------------------|-----------------|
| | Secured RM'000 | Unsecured RM'000 | |
| Short term borrowings | 56,954 | - | 56,954 |
| Long term borrowings | 164,414 | - | 164,414 |
| | <hr/> | <hr/> | <hr/> |
| | 221,368 | - | 221,368 |
| Currency denominations: | | | |
| Ringgit Malaysia | 207,505 | - | 207,505 |
| United States Dollar | 12,184 | - | 12,184 |
| Indonesian Rupiah | 1,679 | - | 1,679 |
| | <hr/> | <hr/> | <hr/> |
| | 221,368 | - | 221,368 |

B9. MATERIAL LITIGATION

As at 14 July 2016, 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.

B10. DIVIDEND

The Board has proposed a first and final single tier dividend of 7 sen per share in respect of the financial year ended 2016 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 2016

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

B11. EARNINGS PER SHARE

(a) 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 weighted average number of ordinary shares in issue.

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|--|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|
| | 3 Months Ended 31/05/2016 | 3 Months Ended 31/05/2015 | 12 Months Ended 31/05/2016 | 12 Months Ended 31/05/2015 |
| Net profit attributable to ordinary equity holders of the Company (RM'000) | 30,499 | 25,404 | 94,193 | 59,620 |
| Weighted average number of ordinary shares in issue ('000) | 231,455 | 214,537 | 231,455 | 214,537 |
| Basic earnings per share (sen) | <u>13.18</u> | <u>11.84</u> | <u>40.70</u> | <u>27.79</u> |

(b) Diluted earnings per share

The diluted 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 weighted average number of ordinary shares that would have been issued upon full conversion of the remaining Warrants 2010/2015.

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|--|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|
| | 3 Months Ended 31/05/2016 | 3 Months Ended 31/05/2015 | 12 Months Ended 31/05/2016 | 12 Months Ended 31/05/2015 |
| Net profit attributable to ordinary equity holders of the Company (RM'000) | N/A | 25,404 | N/A | 59,620 |
| Weighted average number of ordinary shares in issue ('000) | N/A | 214,537 | N/A | 214,537 |
| Effect of dilution: Exercise of warrants | N/A | 8,250 | N/A | 8,250 |
| Adjusted weighted average number of ordinary shares ('000) | N/A | <u>222,787</u> | N/A | <u>222,787</u> |
| Basic earnings per share (sen) | <u>N/A</u> | <u>11.40</u> | <u>N/A</u> | <u>26.76</u> |

There is no dilution effect to the earnings per share for the current financial year as the Warrants have expired on 29 September 2015.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2016

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

B12. 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 2016, into realised and unrealised profits, pursuant to the directive, is as follows:

| | As at 31/05/2016 RM'000 | As at 31/05/2015 RM'000 |
|--|--|--|
| Total retained profits of the Group | | |
| - Realised | 221,327 | 155,583 |
| - Unrealised | 10,468 | (6,238) |
| Total Group's retained profits as per consolidated account | <u>231,795</u> | <u>149,345</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 2016

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

B13. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The cost of sales included the following charges made during the financial year:

| | 3 Months Ended 31/05/2016 RM'000 | 12 Months Ended 31/05/2016 RM'000 |
|---|---|--|
| Depreciation of property, plant and equipment | 5,121 | 20,314 |
| Finance costs | 474 | 3,239 |
| | | |

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

| | 3 Months Ended 31/05/2016 RM'000 | 12 Months Ended 31/05/2016 RM'000 |
|---|---|--|
| Depreciation and amortisation | 1,540 | 6,073 |
| Fair value gain on receivables | (4,669) | (4,669) |
| Fair value loss on amount owing to a director | 570 | 570 |
| Fair value gain on payables | (318) | (318) |
| Finance costs | 643 | 2,562 |
| Gain on disposal of investment property | (679) | - |
| Gain on disposal of property, plant and equipment | (778) | (1,905) |
| Impairment loss on investment property | 1,800 | 1,800 |
| Impairment loss on trade and other receivables | 1,203 | 1,203 |
| Interest income | (2,188) | (7,132) |
| Property, plant and equipment written off | 15 | 132 |
| Unrealised (gain)/loss on foreign exchange | 665 | (1,034) |
| Waiver of liability | (45) | (45) |
| | | |

Other than as disclosed above, the Group does not have any material items that were recognised as profit/(loss) in the Condensed Consolidated Statements of Comprehensive Income.



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2016

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

B14. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year under review:-

| INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|--------------------|------------------------|-------------------|------------------------|
| As restated | As previously reported | As restated | As previously reported |
| 31/05/2015 | 31/05/2015 | 31/05/2015 | 31/05/2015 |
| RM'000 | RM'000 | RM'000 | RM'000 |

Condensed Consolidated
Statements of Comprehensive
Income (Extract):-

| | | | | |
|-------------------------------|---------|----------|----------|----------|
| Depreciation and amortisation | (1,085) | - | (5,615) | - |
| Operating expenses | (5,070) | - | (22,418) | - |
| Other expenses | (7,755) | (13,910) | (8,616) | (36,649) |

BY ORDER OF THE BOARD
Tan Seok Chung
Company Secretary
21 July 2016