



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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2017**

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 28/02/2017 RM'000	3 Months Ended 29/02/2016 RM'000	9 Months Ended 28/02/2017 RM'000	9 Months Ended 29/02/2016 RM'000
Revenue	128,539	175,915	381,023	427,277
Cost of sales	(77,924)	(131,799)	(257,517)	(318,655)
<b>Gross profit</b>	<b>50,615</b>	<b>44,116</b>	<b>123,506</b>	<b>108,622</b>
Other income	2,280	3,161	11,051	10,006
Administrative expenses	(9,489)	(6,832)	(20,102)	(16,222)
Depreciation and amortisation	(1,750)	(1,576)	(5,249)	(4,533)
Operating expenses	(4,417)	(3,271)	(12,470)	(9,560)
Other expenses	(28)	(4)	(66)	(117)
Finance costs	(503)	(691)	(1,746)	(1,919)
<b>Profit before tax</b>	<b>36,708</b>	<b>34,903</b>	<b>94,924</b>	<b>86,277</b>
Income tax expense	(10,705)	(9,399)	(24,366)	(22,353)
<b>Net profit for the financial period</b>	<b>26,003</b>	<b>25,504</b>	<b>70,558</b>	<b>63,924</b>
<b>Other comprehensive income:</b>				
Foreign currency translation	356	966	5,119	5,641
<b>Total comprehensive income for the financial period</b>	<b>26,359</b>	<b>26,470</b>	<b>75,677</b>	<b>69,565</b>
<b>Net profit attributable to:</b>				
Equity holders of the Company	25,789	25,111	70,389	63,694
Non-controlling interests	214	393	169	230
<b>Total comprehensive income attributable to:</b>	<b>26,003</b>	<b>25,504</b>	<b>70,558</b>	<b>63,924</b>
<b>Equity holders of the Company</b>	<b>26,107</b>	<b>26,014</b>	<b>75,103</b>	<b>68,828</b>
<b>Non-controlling interests</b>	<b>252</b>	<b>456</b>	<b>574</b>	<b>737</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic (sen)	6.62	10.07	18.08	25.55
Diluted (sen)	6.49	N/A	17.71	N/A

*Notes:*

1) *The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2016.*

2) *Basic earnings per share for the corresponding quarter of the preceding year have been restated by taking into consideration the implementation of share split and bonus issue, which was completed on 28 November 2016.*



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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 28 FEBRUARY 2017**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 28/02/2017 RM'000</b>	<b>As At 31/05/2016 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Concession assets	86,295	61,313
Property, plant and equipment	65,763	76,424
Biological assets	12,251	12,493
Investment properties	16,851	17,045
Land held for property development	3,889	3,881
Non-trade receivables	2,903	2,360
Other investment	100	100
Goodwill	18,896	17,690
Deferred tax assets	20,455	20,441
	<u>227,403</u>	<u>211,747</u>
<b>Current assets</b>		
Inventories	196	3,353
Property development costs	532,617	484,816
Trade and other receivables	151,249	172,550
Amount due from customers on contracts	13,152	50,753
Current tax assets	4,909	5,324
Short term funds	55,559	106,635
Fixed deposits placed with licensed banks	92,965	86,151
Cash and bank balances	102,048	101,495
	<u>952,695</u>	<u>1,011,077</u>
<b>TOTAL ASSETS</b>	<u><b>1,180,098</b></u>	<u><b>1,222,824</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity Holders of the Company</b>		
Share Capital	324,138	258,623
Reserves	264,612	270,479
	<u>588,750</u>	<u>529,102</u>
<b>Non-controlling interests</b>	<u>7,838</u>	<u>7,264</u>
<b>Total equity</b>	<u><b>596,588</b></u>	<u><b>536,366</b></u>



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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 28 FEBRUARY 2017 (Continued)**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At 28/02/2017 RM'000</b>	<b>As At 31/05/2016 RM'000</b>
<b>Non-current liabilities</b>		
Bank borrowings	153,892	166,972
Deferred tax liabilities	11,118	11,238
Defined benefit obligations	2,022	1,889
Non-trade payables	130,927	130,927
	<u>297,959</u>	<u>311,026</u>
<b>Current liabilities</b>		
Amount due to customers on contracts	45,204	43,668
Trade and other payables	187,950	254,838
Bank borrowings	41,091	55,849
Current tax liabilities	11,306	21,077
	<u>285,551</u>	<u>375,432</u>
<b>Total liabilities</b>	<u>583,510</u>	<u>686,458</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,180,098</u>	<u>1,222,824</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.91	0.82

*Notes:*

- 1) The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2016.*
- 2) Net assets per share attributable to owners of the Company as at preceding financial year end has been restated by taking into consideration the implementation of share split and bonus issue, which was completed on 28 November 2016.*



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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2017**

	← Attributable to Equity Holders of the Company →						Total	Non-controlling Interest	Total Equity
	← Non-Distributable →			Distributable					
	Share Capital	Employee Share Option 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	
<b>(UNAUDITED)</b>									
<b>At 1 June 2016</b>	258,623	-	1,347	38,041	(1,158)	232,249	<b>529,102</b>	7,264	<b>536,366</b>
Total comprehensive income	-	-	-	-	4,714	70,389	<b>75,103</b>	574	<b>75,677</b>
Recognition of share option expenses	-	1,910	-	-	-	-	<b>1,910</b>	-	<b>1,910</b>
Employees share option exercised	739	-	-	-	-	-	<b>739</b>	-	<b>739</b>
Dividend on ordinary shares	-	-	-	-	-	(18,104)	<b>(18,104)</b>	-	<b>(18,104)</b>
Bonus issue of shares	64,656	-	-	(38,041)	-	(26,615)	-	-	-
Transfer to share capital for employees share option exercised	120	(120)	-	-	-	-	-	-	-
<b>At 28 February 2017</b>	<b>324,138</b>	<b>1,790</b>	<b>1,347</b>	<b>-</b>	<b>3,556</b>	<b>257,919</b>	<b>588,750</b>	<b>7,838</b>	<b>596,588</b>



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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2017 (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	
<b>(AUDITED)</b>									
<b>At 1 June 2015</b>	216,369	6,173	1,347	12,736	(4,614)	149,345	<b>381,356</b>	7,030	<b>388,386</b>
Effect of adopting FRS119	-	-	-	-	-	6	<b>6</b>	-	<b>6</b>
Total comprehensive income	-	-	-	-	3,440	94,640	<b>98,080</b>	277	<b>98,357</b>
Dividend on ordinary shares	-	-	-	-	-	(11,756)	<b>(11,756)</b>	-	<b>(11,756)</b>
Striking off subsidiary companies	-	-	-	-	16	(16)	-	-	-
Issue of shares	42,254	(5,885)	-	25,305	-	-	<b>61,674</b>	-	<b>61,674</b>
Transfer to retained earning upon expiry of warrants	-	(288)	-	-	-	288	-	-	-
Changes in ownership interest in subsidiary (effects of change in stake)	-	-	-	-	-	(258)	<b>(258)</b>	(43)	<b>(301)</b>
<b>At 31 May 2016</b>	<b>258,623</b>	<b>-</b>	<b>1,347</b>	<b>38,041</b>	<b>(1,158)</b>	<b>232,249</b>	<b>529,102</b>	<b>7,264</b>	<b>536,366</b>

*The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2016.*



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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2017**

	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>9 Months Ended 29/02/2017 RM'000</b>	<b>9 Months Ended 29/02/2016 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	94,924	86,277
Adjustments for:		
Amortisation of biological assets	519	337
Bad debts written off	6	-
Depreciation of concession assets	1,702	1,685
Depreciation of investment properties	193	185
Depreciation of property, plant and equipment	14,201	17,519
Dividend received from short term fund	(2,084)	-
Equity-settled share based payment	1,910	-
Finance costs	3,007	4,684
Gain on disposal of investment property	-	(679)
Gain on disposal of property, plant and equipment	(2,267)	(1,127)
Increase in liability for defined benefit obligations	133	208
Interest income	(3,283)	(4,944)
Net unrealised gain on foreign exchange	(2,329)	(1,699)
Property, plant and equipment written off	-	117
Operating profit before working capital changes	106,632	102,563
Changes in working capital:		
Property development costs	(47,809)	(140,780)
Biological assets	(276)	(412)
Amount due from/(to) customers on contracts	39,137	(10,388)
Inventories	3,157	(209)
Receivables	20,752	10,923
Payables	(66,889)	(3,879)
Net income tax paid	(33,937)	(16,145)
<b>Net Operating Cash Flows</b>	<b>20,767</b>	<b>(58,327)</b>



**GADANG HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2017 (Continued)**

	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>9 Months Ended 29/02/2017 RM'000</b>	<b>9 Months Ended 29/02/2016 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,803)	(2,450)
Purchase of concession assets	(21,937)	(9,242)
Investment in subsidiaries	-	(301)
Proceeds from disposal of investment property	-	2,434
Proceeds from disposal of property, plant and equipment	6,449	2,876
Dividend received from short term funds	2,084	-
Interest received	3,283	4,944
<b>Net Investing Cash Flows</b>	<b>(12,924)</b>	<b>(1,739)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	16,856	98,214
Finance costs	(3,007)	(4,684)
Proceeds from issue of ordinary share capital	739	-
Proceeds from issue of share upon exercise of warrants	-	18,743
Repayment of:		
- bank borrowings	(37,437)	(49,918)
- hire purchase liabilities	(14,195)	(8,548)
Fixed deposits pledged as security values	(11,719)	(8,127)
Dividend paid	(18,104)	(11,756)
<b>Net Financing Cash Flows</b>	<b>(66,867)</b>	<b>33,924</b>
Net change in cash and cash equivalents	(59,024)	(26,142)
Effect of exchange rate changes	2,963	2,026
Cash and cash equivalents at the beginning of the financial period	232,504	170,098
Cash and cash equivalents at the end of the financial period	<b>176,443</b>	<b>145,982</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and bank balances	102,048	49,982
Short term funds	55,559	52,870
Fixed deposits placed with licensed banks	92,965	117,514
Bank overdrafts	(6,757)	(8,113)
	<b>243,815</b>	<b>212,253</b>
Less: Fixed deposits pledged as security values	(67,372)	(66,271)
<b>Total</b>	<b>176,443</b>	<b>145,982</b>

*The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2016.*



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2017**

**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 2016. 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 2016.

**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 2016, except for the changes arising from the adoption of amendments/improvements to FRSs that are effective for financial period beginning 1 June 2016 as follows:

Amendments/Improvements to FRSs

FRS 5	Non-current Assets Held for Sale and Discontinued Operations [Annual Improvements to FRSs 2012-2014 Cycle]
FRS 7	Financial Instruments: Disclosures [Annual Improvements to FRSs 2012-2014 Cycle]
FRS 10	Consolidated Financial Statements [Investment Entities: Applying the Consolidation Exception]
FRS 11	Joint Arrangements [Accounting for Acquisitions of Interests in Joint Operations]
FRS 12	Disclosures of Interests in Other Entities [Investment Entities: Applying the Consolidation Exception]
FRS 14	Regulatory Deferral Accounts
FRS 101	Presentations of Financial Statements [Disclosure Initiative]
FRS 116	Property, Plant and Equipment [Clarification of Acceptable Methods of Depreciation and Amortisation]
FRS 119	Employee Benefits [Annual Improvements to FRSs 2012-2014 Cycle]
FRS 127	Separate Financial Statements [Equity Method in Separate Financial Statements]
FRS 128	Investment in Associates and Joint Venture [Investment Entities: Applying the Consolidation Exception]
FRS 134	Interim Financial Reporting [Annual Improvements to FRSs 2012-2014 Cycle]
FRS 138	Intangible Assets [Clarification of Acceptable Methods of Depreciation and Amortisation]

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





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("FRS") 134 INTERIM FINANCIAL REPORTING**

**A2. CHANGES IN ACCOUNTING POLICIES (Continued)**

**FRSs, Amendments/Improvements to FRSs and IC Interpretations issued but not yet effective**

<b>Standard</b>	<b>Title</b>	<b>Effective Date</b>
FRS 2	Shared-based Payment [Classification and Measurement of Share-based Payment Transactions]	1 January 2018
FRS 4	Insurance Contracts [Applying FRS 9 Financial Instruments]	1 January 2018
FRS 9	Financial Instruments [IFRS 9 as issued by IASB in July 2014]	1 January 2018
FRS 10	Consolidated Financial Statements [Sale or Contribution of Assets between an Investor and its Associate or Joint Venture]	Deferred
FRS 12	Disclosure of Interest in Other Entities [Annual Improvements to FRSs 2014-2016 Cycle]	1 January 2017
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 128	Investment in Associates and Joint Venture	Deferred
FRS 140	Investment Property [Transfer of Investment Property]	1 January 2018
<u>IC Interpretations</u>		
IC 22	Foreign Currency Transactions and Advance Construction	1 January 2018

The Group will apply the above FRSs, amendments/improvement to FRSs and IC interpretations that are applicable once they become effective. The adoption of the above FRSs, amendments/improvement to FRSs and IC interpretations 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 2016 was not subject to any audit qualification.



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2017**

**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**

On 6 December 2016, an initial grant of 85,280,500 share options under the Company's Employees' Share Option Scheme ("ESOS") had been offered to the eligible Directors and employees of the Group, of which 84,860,000 share options had been duly accepted. The exercise price has been fixed at RM0.86 per share.

During the current quarter ended 28 February 2017, the Company issued 859,050 new ordinary shares pursuant to the exercise of share options under the Company's ESOS.

Save as disclosed above, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter under review.

**A8. DIVIDEND PAID**

There was no payment of dividend in the current quarter.



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2017**

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

**A9. SEGMENTAL REPORTING**

**9 months ended 28 February 2017 (Current Financial Period)**

	<b>Construction Division RM'000</b>	<b>Property Division RM'000</b>	<b>Utility Division RM'000</b>	<b>Plantation Division RM'000</b>	<b>Investment Holding RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>	185,960	176,026	17,032	2,005	-	381,023
<b>Results</b>						
Segment results	47,473	50,403	4,977	(969)	(5,214)	96,670
Finance costs	(466)	(858)	(416)	(6)	-	(1,746)
Profit /(Loss) before tax	47,007	49,545	4,561	(975)	(5,214)	94,924
Income tax expense						(24,366)
Profit for the financial period						<u>70,558</u>

**9 months ended 29 February 2016 (Previous Financial Period)**

	<b>Construction Division RM'000</b>	<b>Property Division RM'000</b>	<b>Utility Division RM'000</b>	<b>Plantation Division RM'000</b>	<b>Investment Holding RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>	300,588	109,429	16,018	1,242	-	427,277
<b>Results</b>						
Segment results	50,766	36,758	3,998	(1,400)	(1,926)	88,196
Finance costs	(483)	(1,052)	(371)	(13)	-	(1,919)
Profit /(Loss) before tax	50,283	35,706	3,627	(1,413)	(1,926)	86,277
Income tax expense						(22,353)
Profit for the financial period						<u>63,924</u>

**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 2016.

**A11. SIGNIFICANT SUBSEQUENT EVENT**

On 10 March 2017, the Company announced that its wholly-owned subsidiary, Gadang Engineering (M) Sdn Bhd (“GESB”) had received a Letter of Acceptance from Mass Rapid Transit Corporation Sdn Bhd awarding GESB the contract for Package V206 of the Project Mass Rapid Transit Laluan 2: Sungai Buloh – Serdang – Putrajaya (SSP) for a contract sum of RM952,088,535.03.



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**INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2017**

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

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

There were no changes in the composition of the Group for the current quarter under review.

**A13. CHANGES IN CONTINGENT LIABILITIES**

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

	<b>RM'000</b>
As at 30 November 2016	436,078
Increase during the period	12,096
As at 28 February 2017	<u>448,174</u>

**A14. CAPITAL COMMITMENTS**

	<b>As At 28/02/2017 RM'000</b>
<b>Approved and contracted for</b>	
- Balance of purchase consideration for investment property as per Sale and Purchase Agreement	53,385
<b>Approved but not contracted for</b>	
- Oil palm plantations development	150
	<u>53,535</u>



**GADANG HOLDINGS BERHAD**  
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**INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2017**

**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 posted revenue of RM128.54 million as compared to RM175.92 million in the corresponding quarter of the preceding year. The Group's profit before tax increased marginally to RM36.71 million as compared to RM34.90 million in the corresponding quarter of the preceding year.

For the current year to date, revenue decreased to RM381.02 million and profit before tax increased by 10.02% to RM94.92 million. The increase in profit before tax was mainly due to higher contributions from property division.

Tabulated below is the various divisional contributions:-

UNAUDITED		UNAUDITED	
INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
3 Months Ended 28/02/2017 RM'000	3 Months Ended 29/02/2016 RM'000	9 Months Ended 28/02/2017 RM'000	9 Months Ended 29/02/2016 RM'000

**REVENUE**

Construction Division	70,765	122,727	185,960	300,588
Property Division	51,825	47,368	176,026	109,429
Utility Division	5,455	5,504	17,032	16,018
Plantation Division	494	316	2,005	1,242
Investment Holding	-	-	-	-
	128,539	175,915	381,023	427,277

**PROFIT/(LOSS) BEFORE TAX**

Construction Division	23,225	22,040	47,007	50,283
Property Division	16,915	13,349	49,545	35,706
Utility Division	914	1,588	4,561	3,627
Plantation Division	(340)	(617)	(975)	(1,413)
Investment Holding	(4,006)	(1,457)	(5,214)	(1,926)
	36,708	34,903	94,924	86,277

**Construction Division**

For the current quarter, revenue decreased to RM70.77 million as compared to RM122.73 million in the corresponding quarter of the preceding year. Profit before tax for the current quarter increased by 5.38% to RM23.23 million as compared to RM22.04 million in the corresponding quarter of the preceding year.

Revenue for the current year to date decreased to RM185.96 million as compared to RM300.59 million recorded in the preceding year to date. Profit before tax decreased by 6.52% to RM47.01 million in the current year to date. This was mainly due to the completion of some projects in financial year ended ('FYE') 2016.



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**B1. OPERATING SEGMENTS REVIEW (Continued)**

**Property Division**

For the current quarter, revenue increased to RM51.83 million as compared to RM47.37 million in the corresponding quarter of the preceding year. Profit before tax increased to RM16.92 million as compared to RM13.35 million in the corresponding quarter of the preceding year.

Revenue for the current year to date raised from RM109.43 million to RM176.03 million. In tandem with this, profit before tax increased from RM35.71 million to RM49.55 million. This was mainly due to higher development progress for various on-going projects.

**Utility Division**

Revenue for current quarter decreased marginally to RM5.46 million as compared to RM5.50 million in the corresponding quarter of the preceding year. Profit before tax decreased to RM0.91 million as compared to RM1.59 million in the corresponding quarter of the preceding year.

Revenue for the current year to date increased by 6.33% to RM17.03 million and profit before tax increased by 25.75% to RM4.56 million. This was mainly due to improved operating margins and cost reduction initiatives.

**Plantation Division**

Revenue for the current quarter and year to date increased to RM0.49 million and RM2.01 million respectively as compared to the corresponding quarter of the preceding year. This was mainly due to higher harvesting activities. Loss before tax for the current quarter and year to date decreased to RM0.34 million and RM0.98 million respectively as compared to the corresponding quarter of the preceding year.

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

	<b>REVENUE</b>		<b>PROFIT/(LOSS) BEFORE TAX</b>	
	<b>UNAUDITED</b>	<b>UNAUDITED</b>	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>3 Months</b>	<b>3 Months</b>	<b>3 Months</b>	<b>3 Months</b>
	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>
	<b>28/02/2017</b>	<b>30/11/2016</b>	<b>28/02/2017</b>	<b>30/11/2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Construction Division	70,765	73,057	23,225	15,369
Property Division	51,825	68,038	16,915	19,181
Utility Division	5,455	6,026	914	1,784
Plantation Division	494	762	(340)	(262)
Investment Holding	-	-	(4,006)	26
	<b>128,539</b>	<b>147,883</b>	<b>36,708</b>	<b>36,098</b>

The Group recorded revenue of RM128.54 million for the current quarter as compared to RM147.88 million in the preceding quarter mainly due to lower work progress from existing construction and property activities. The Group's profit before tax increased marginally to RM36.71 million as compared to RM36.10 million in the preceding quarter.



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**B3. BUSINESS PROSPECTS**

As the current financial year remains challenging with higher operating cost affecting the Group, the Board is reviewing the operational efficiency of each business unit to assess and determine its long-term relevance within the Group's operations. Accordingly, the Board may consider divesting the non-core business activities to realign the Group's competitive position as an integrated engineering group moving forward.

However, the Board is encouraged that based on the present level of activities, the Group's performance for this financial year will be another strong year arising from the following developments:-

- (i) **Construction Division**  
With the recent award of the contract for Package V206 of the Project Mass Rapid Transit Laluan 2: Sungai Buloh – Serdang – Putrajaya (SSP) for a contract sum of RM952.09 million, the outstanding order book grew significantly to some RM1.6 billion.
- (ii) **Property Division**  
Aggressive market traction to implement more affordable home sales will assist to strengthen the Property Division's activities. The current unbilled sales registered some RM164.7 million in value.
- (iii) **Utility Division**  
Upon completion of fresh negotiation with the local authorities, possible higher tariff rates will have positive impact to the Utility Division. The mini hydro project of 9MW is still under construction phase and is not expected to generate revenue until FYE 2018.
- (iv) **Plantation Division**  
More maturing acreage will contribute to better yield and reduce the Plantation Division present loss position during this financial year.

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

This is not applicable to the Group.

**B5. TAXATION**

Taxation comprises the following:

	<b>3 Months Ended 28/02/2017 RM'000</b>	<b>9 Months Ended 28/02/2017 RM'000</b>
Income tax expense:		
Malaysian income tax	(10,221)	(22,965)
Foreign income tax	(533)	(1,544)
 Deferred tax	 49	 143
	(10,705)	(24,366)

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 purpose.



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**B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED**

On 6 February 2017, the Company announced that its indirect wholly-owned subsidiary, Gadang Construction Sdn Bhd had entered into a sale and purchase agreement (“SPA”) with Nusvita Development Sdn Bhd for the acquisition of a piece of leasehold commercial land located in Damansara Perdana for a purchase consideration of RM55,690,000 (“Proposed Acquisition”).

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

**B7. UTILISATION OF PROCEEDS**

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: -

<b>Purpose</b>	<b>Proposed utilisation</b>	<b>Actual utilisation as at 28 February 2017</b>	<b>Balance unutilised as at 28 February 2017</b>	<b>Intended timeframe for utilisation from the date of listing</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Investments in Property Division	42,795	(42,795)	-	Within 24 months
Expenses relating to the Private Placement	700	(700)	-	Within 1 month
	43,495	(43,495)	-	

The Private Placement has been fully utilised as at 28 February 2017.

**B8. GROUP BORROWINGS**

The details of the Group borrowings are as follows:

	<b>As at 28/02/2017</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short term borrowings	41,091	-	41,091
Long term borrowings	153,892	-	153,892
	194,983	-	194,983
<b>Currency denominations:</b>			
Ringgit Malaysia	164,361	-	164,361
United States Dollar	11,915	-	11,915
Indonesian Rupiah	18,707	-	18,707
	194,983	-	194,983





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**B9. MATERIAL LITIGATION**

As at 12 April 2017, 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**

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

**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 period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue.

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>3 Months Ended 28/02/2017</b>	<b>3 Months Ended 29/02/2016</b>	<b>9 Months Ended 28/02/2017</b>	<b>9 Months Ended 29/02/2016</b>
Net profit attributable to ordinary equity holders of the Company (RM'000)	25,789	25,111	70,389	63,694
Weighted average number of ordinary shares in issue ('000)	389,422	249,322	389,422	249,322
Basic earnings per share (sen)	<u>6.62</u>	<u>10.07</u>	<u>18.08</u>	<u>25.55</u>



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**B11. EARNINGS PER SHARE (Continued)**

**(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 holder of the Company by the weighted average number of ordinary shares that would have been issued upon full conversion of the remaining Warrants 2016/2021 and employee share option.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 28/02/2017	3 Months Ended 29/02/2016	9 Months Ended 28/02/2017	9 Months Ended 29/02/2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	25,789	N/A	70,389	N/A
Weighted average number of ordinary shares in issue ('000)	389,422	N/A	389,422	N/A
Effect of dilution:				
Exercise of warrants	(1,395)	N/A	(1,395)	N/A
Employee share option	9,366	N/A	9,366	N/A
Adjusted weighted average number of ordinary shares ('000)	397,393	N/A	397,393	N/A
Basic earnings per share (sen)	6.49	N/A	17.71	N/A



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**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 28 February 2017, into realised and unrealised profits, pursuant to the directive, is as follows:

	<b>As at 28/02/2017 RM'000</b>	<b>As at 29/02/2016 RM'000</b>
Total retained profits of the Group		
- Realised	246,254	206,506
- Unrealised	11,665	(5,209)
Total Group's retained profits as per consolidated account	<u>257,919</u>	<u>201,297</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.



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#### B13. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	<b>Current Quarter 28/02/2017 RM'000</b>	<b>Current Year-to-date 28/02/2017 RM'000</b>
Depreciation of property, plant and equipment	7,575	11,366
Finance costs	977	1,261
Hire of plant and machinery	371	395
Rental of land and premises	278	940

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

	<b>Current Quarter 28/02/2017 RM'000</b>	<b>Current Year-to-date 28/02/2017 RM'000</b>
Bad debts written off	-	6
Dividend received from short term funds	(298)	(2,084)
Depreciation and amortisation	1,749	5,249
Equity-settled share based payment	1,910	1,910
Finance costs	503	1,746
Gain on disposal of property, plant and equipment	(405)	(2,267)
Interest income	(1,251)	(3,283)
Net unrealised gain on foreign exchange	(107)	(2,329)

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.

c.c. Securities Commission