



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2018

(The figures are unaudited)

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 Months Ended 28/02/2018 RM'000	3 Months Ended 28/02/2017 RM'000 (Restated)	Variance %	9 Months Ended 28/02/2018 RM'000	9 Months Ended 28/02/2017 RM'000 (Restated)	Variance %
	Revenue	152,680	128,045	19	412,288	379,018
Cost of sales	(97,131)	(77,619)	25	(269,897)	(256,066)	5
Gross profit	55,549	50,426	10	142,391	122,952	16
Other income	6,131	2,280	>100	12,488	11,051	13
Administrative expenses	(13,529)	(9,289)	46	(24,600)	(19,587)	26
Depreciation and amortisation	(1,451)	(1,471)	-1	(4,881)	(4,412)	11
Operating expenses	(8,744)	(4,368)	>100	(19,556)	(12,301)	59
Other expenses	(1,312)	(28)	>100	(4,247)	(66)	>100
Finance costs	(1,059)	(502)	>100	(2,723)	(1,740)	56
Share of results of joint ventures	224	-	-	389	-	-
Profit before tax	35,809	37,048	-3	99,261	95,897	4
Income tax expense	(10,780)	(10,705)	1	(27,153)	(24,366)	11
Net profit from continuing operations	25,029	26,343	-5	72,108	71,531	1
Discontinued operation:						
Loss after tax from discontinued operation	-	(340)	-	(155)	(973)	-84
Net profit for the financial year	25,029	26,003	-4	71,953	70,558	2
Other comprehensive income:						
Foreign currency translation	(3,403)	356	>100	(6,790)	5,119	>100
Total comprehensive income for the financial year	21,626	26,359	-18	65,163	75,677	-14
Net profit attributable to:						
Equity holders of the Company	25,143	25,789	-3	71,852	70,389	2
Non-controlling interests	(114)	214	>100	101	169	-40
Total comprehensive income attributable to:	25,029	26,003	-4	71,953	70,558	2
Equity holders of the Company	21,965	26,107	-16	65,531	75,103	-13
Non-controlling interests	(339)	252	>100	(368)	574	>100
	21,626	26,359	-18	65,163	75,677	-14



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (Continued)**
(The figures are unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 28/02/2018 RM'000	3 Months Ended 28/02/2017 RM'000 (Restated)	9 Months Ended 28/02/2018 RM'000	9 Months Ended 28/02/2017 RM'000 (Restated)
Basic earnings per share (sen)				
- continuing operations	3.82	4.04	10.94	11.04
- discontinued operation	-	(0.05)	(0.02)	(0.15)
	3.82	3.99	10.92	10.89
Diluted earnings per share (sen)				
- continuing operations	3.72	3.99	10.66	10.90
- discontinued operation	-	(0.05)	(0.02)	(0.15)
	3.72	3.94	10.64	10.75

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2017.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018

	UNAUDITED	AUDITED
	As At 28/02/2018 RM'000	As At 31/05/2017 RM'000
ASSETS		
Non-current assets		
Concession assets	110,628	91,619
Property, plant and equipment	71,607	63,646
Investment properties	71,200	15,984
Land held for property development	3,897	3,889
Investment in joint ventures	936	37
Non-trade receivables	2,506	2,593
Other investment	100	100
Goodwill	17,062	18,430
Deferred tax assets	18,249	6,245
	296,185	202,543
Current assets		
Inventories	69,123	980
Property development costs	693,796	731,019
Trade and other receivables	194,362	183,178
Amount due from customers on contracts	12,925	24,695
Current tax assets	5,357	6,632
Short term funds	48,674	59,435
Fixed deposits placed with licensed banks	103,145	87,909
Cash and bank balances	114,620	114,572
	1,242,002	1,208,420
Assets classified as held for sale	-	15,521
TOTAL ASSETS	1,538,187	1,426,484
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Company		
Share Capital	336,495	331,678
Reserves	341,184	291,490
	677,679	623,168
Non-controlling interests	7,681	8,003
Total equity	685,360	631,171



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018 (Continued)

	UNAUDITED	AUDITED
	As At 28/02/2018 RM'000	As At 31/05/2017 RM'000
Non-current liabilities		
Bank borrowings	218,339	143,819
Deferred tax liabilities	6,505	6,449
Defined benefit obligations	1,722	2,039
Non-trade payables	243,274	243,554
	<u>469,840</u>	<u>395,861</u>
Current liabilities		
Amount due to customers on contracts	18,842	18,843
Trade and other payables	293,673	327,167
Bank borrowings	65,942	48,771
Current tax liabilities	4,530	4,150
	382,987	398,931
Liabilities classified as held for sale	-	521
	<u>852,827</u>	<u>795,313</u>
Total liabilities	<u>852,827</u>	<u>795,313</u>
TOTAL EQUITY AND LIABILITIES	<u>1,538,187</u>	<u>1,426,484</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.03	0.95

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2017.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2018

	Share Capital	Employee Share Option Reserve	Capital Reserve	Share Premium	Foreign Exchange Reserve	Retained Profits	Total	Non- controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(UNAUDITED)									
At 1 June 2017	331,678	743	1,347	-	1,772	287,628	623,168	8,003	631,171
Total comprehensive income	-	-	-	-	(6,321)	71,852	65,531	(368)	65,163
Recognition of share option expenses	-	4,383	-	-	-	-	4,383	-	4,383
Employees share option exercised	4,355	-	-	-	-	-	4,355	-	4,355
Dividend on ordinary shares	-	-	-	-	-	(19,758)	(19,758)	-	(19,758)
Transfer to share capital for employees share option exercised	462	(462)	-	-	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	46	46
At 28 February 2018	336,495	4,664	1,347	-	(4,549)	339,722	677,679	7,681	685,360



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (Continued)

	Share Capital	Employee Share Option Reserve	Capital Reserve	Share Premium	Foreign Exchange Reserve	Retained Profits	Total	Non- controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(AUDITED)									
At 1 June 2016	258,623	-	1,347	38,041	(1,158)	232,249	529,102	7,264	536,366
Total comprehensive income	-	-	-	-	2,930	100,097	103,027	739	103,766
Dividend on ordinary shares	-	-	-	-	-	(18,104)	(18,104)	-	(18,104)
Bonus issue of shares	64,655	-	-	(38,041)	-	(26,614)	-	-	-
Issue of shares upon exercise of warrants	61	-	-	-	-	-	61	-	61
Employees share option exercised	7,172	-	-	-	-	-	7,172	-	7,172
Recognition of share option expenses	-	1,910	-	-	-	-	1,910	-	1,910
Transfer to share capital for employees share option exercised	1,167	(1,167)	-	-	-	-	-	-	-
At 31 May 2017	331,678	743	1,347	-	1,772	287,628	623,168	8,003	631,171

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 2017.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2018

(The figures are unaudited)

	9 Months Ended 28/02/2018 RM'000	9 Months Ended 28/02/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax:		
- continuing operations	99,261	95,897
- discontinued operation	(155)	(973)
Adjustments for:		
Amortisation of biological assets	-	519
Bad debts recovered	(614)	-
Bad debts written off	59	6
Depreciation of concession assets	2,087	1,702
Depreciation of investment properties	498	193
Depreciation of property, plant and equipment	14,579	14,201
Dividend received from short term funds	(1,980)	(2,084)
Equity-settled share based payment	4,383	1,910
Fair value adjustments on:		
- trade and other receivables	(2,002)	-
Finance costs	4,005	3,007
Gain on disposal of property, plant and equipment	(575)	(2,267)
Increase/(Decrease) in liability for defined benefit obligations	(316)	133
Interest income	(3,820)	(3,283)
Loss on disposal of non-current assets held for sale	1,304	-
Net unrealised (gain)/loss on foreign exchange	3,758	(2,329)
Property, plant and equipment written off	7	-
Reversal of impairment losses on non-current assets held for sale	(1,211)	-
Share of results of joint ventures	(389)	-
Waiver of liability	(4)	-
Operating profit before working capital changes	118,875	106,632
Changes in working capital:		
Property development costs	37,215	(47,809)
Biological assets	-	(276)
Amount due from/(to) customers on contracts	11,768	39,137
Inventories	(68,143)	3,157
Receivables	4,921	20,752
Payables	(32,894)	(66,889)
Net income tax paid	(37,436)	(33,937)
Net Operating Cash Flows	34,306	20,767



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (Continued)
 (The figures are unaudited)

	9 Months Ended 28/02/2018 RM'000	9 Months Ended 28/02/2017 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- property, plant and equipment	(2,747)	(2,803)
- concession assets	(30,936)	(21,937)
- investment property	(55,714)	-
Investment in a subsidiary	(140)	-
Investment in a joint venture	(509)	-
Proceeds from disposal of:		
- non-current assets held for sale, net of cash and cash equivalents disposed of	1,498	-
- property, plant and equipment	1,019	6,449
Dividend received from short term funds	1,980	2,084
Interest received	3,820	3,283
Net Investing Cash Flows	(81,729)	(12,924)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	97,854	16,856
Finance costs	(4,005)	(3,007)
Proceeds from issue of ordinary share capital	4,355	739
Repayment of:		
- bank borrowings	(18,584)	(37,437)
- hire purchase liabilities	(4,595)	(14,195)
Fixed deposits pledged as security values	(11,150)	(11,719)
Dividend paid	(19,758)	(18,104)
Net Financing Cash Flows	44,117	(66,867)
Net change in cash and cash equivalents	(3,306)	(59,024)
Effect of exchange rate changes	(3,709)	2,963
Cash and cash equivalents at the beginning of the financial period	201,221	232,504
Cash and cash equivalents at the end of the financial period	194,206	176,443



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (Continued)

(The figures are unaudited)

	9 Months Ended 28/02/2018 RM'000	9 Months Ended 28/02/2017 RM'000
Analysis of Cash and Cash Equivalents		
Cash and bank balances	114,620	101,899
Short term funds	48,674	55,559
Fixed deposits placed with licensed banks	103,145	92,965
Bank overdrafts	(7,786)	(6,757)
	258,653	243,666
Cash and cash equivalent under assets classified as assets held for sale	-	149
	258,653	243,815
Less: Fixed deposits pledged as security values	(64,447)	(67,372)
Total	194,206	176,443

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2017.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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 2017. 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 2017.

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 2017, except the Amendments and Improvements to FRSs as follows:

Standard	Title	Effective Date
FRS 12	Disclosure of Interest in Other Entities [Annual Improvements to FRS Standard 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

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

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

Standard	Title	Effective Date
FRS 1	First-time Adoption of Financial Reporting Standards [Annual Improvements to FRS Standards 2014-2016 Cycle]	1 January 2018
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 128	Sale or Contribution of Assets between an Investor and its Associate of Joint Venture (Amendments to FRS 10 and FRS 128)	Deferred
FRS 128	Investment in Associates and Joint Ventures [Annual Improvements to FRS Standards 2014-2016 Cycle]	1 January 2018
FRS 140	Investment Property [Transfer of Investment Property]	1 January 2018



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

IC Interpretations

IC 22	Foreign Currency Transactions and Advance Construction	1 January 2018
IC 23	Uncertainty over Income Tax Treatments	1 January 2019

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 and amendments/improvement 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 2017 was not subject to any audit qualification.

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.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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

A7. DEBT AND EQUITY SECURITIES

There were no cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter under review, except for the issuance of:-

- (a) 1,405,300 new ordinary shares pursuant to the exercise of share options under the Company's Employees' Share Option Scheme.

The movement of the share options are as follows:-

Option price (RM)	Date of offer	No. of options				As at 28/02/2018	Exercisable as at 28/02/2018
		As at 1/12/2017	Granted	Exercised	Lapsed		
0.86	16.12.2016	73,287,600	-	(1,387,300)	-	71,900,300	20,732,000
1.03	05.01.2018	-	15,201,200	(18,000)	-	15,183,200	3,782,300
		73,287,600	15,201,200	(1,405,300)	-	87,083,500	24,514,300

- (b) No conversion of Warrant 2016/2021 for the current quarter under review. The number of outstanding warrants was 129,254,039.

A8. DIVIDEND PAID

At the Company's Annual General Meeting held on 8 November 2017, the shareholders of the Company approved the first and final single tier dividend of 3 sen per share in respect of the financial year ended 31 May 2017. The Company paid the first and final single tier dividend on 5 December 2017.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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

A9. SEGMENTAL REPORTING

9 months ended 28 February 2018 (Current Financial Period)

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Plantation Division RM'000	Consolidated RM'000
Revenue	271,809	123,400	17,079	-	-	412,288
Results						
Segment results	69,456	39,530	2,159	(9,550)	-	101,595
Finance costs	(1,471)	(934)	(318)	-	-	(2,723)
Share of results of joint ventures	389	-	-	-	-	389
Profit/(Loss) before tax	68,374	38,596	1,841	(9,550)	-	99,261
Income tax expense						(27,153)
Loss after tax from discontinued operation	-	-	-	-	(155)	(155)
Profit for the financial period						71,953

9 months ended 28 February 2017 (Previous Financial Period)

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Plantation Division RM'000	Consolidated RM'000
(Restated) Revenue	185,960	176,026	17,032	-	-	379,018
Results						
Segment results	47,473	50,403	4,977	(5,216)	-	97,637
Finance costs	(466)	(858)	(416)	-	-	(1,740)
Profit/(Loss) before tax	47,007	49,545	4,561	(5,216)	-	95,897
Income tax expense						(24,366)
Loss after tax from discontinued operation	-	-	-	-	(973)	(973)
Profit for the financial period						70,558

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 2017.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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

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 material changes in the composition of the Group for the current quarter under review.

A13. CHANGES IN CONTINGENT LIABILITIES

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

	RM'000
As at 30 November 2017	597,281
Decrease during the period	(12,286)
As at 28 February 2018	<u>584,995</u>

A14. CAPITAL COMMITMENTS

	As At 28/02/2018 RM'000
Approved and contracted for	
- Balance of purchase consideration for land acquisition as per Sale and Purchase Agreement	<u>141,500</u>



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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

A15. DISCONTINUED OPERATION AND ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE

Pursuant to the Group's portfolio review in the financial year 2017, the Board had strategically decided to exit the plantation business. The decision offers an opportunity for the Group to exit from its non-core activity business and to reallocate its resources to other key businesses within the Group. Therefore, the Group presents and disclose in its financial statements the financial effects of discontinued operation in accordance to FRS 5 (*Non-Current Assets Held for Sale and Discontinued Operations*).

The Group had ceased its control over Plantation Division. The disposal of the discontinued operation was deemed completed on 27 November 2017 and resulted the Plantation Division ceased to be a subsidiary of the Group.

An analysis of the results of discontinued operation is as follows:

	9 Months Ended 28/02/2018 RM'000	9 Months Ended 28/02/2017 RM'000
<u>Results of discontinued operation</u>		
Revenue	235	2,005
Cost of sales	(163)	(1,451)
Gross profit	72	554
Expenses	(227)	(1,527)
Loss before tax	(155)	(973)
Income tax expense	-	-
Net loss from discontinued operation	(155)	(973)

The discontinued operation had the following effects on the financial position of the Group as at the end of the financial period:

	As At 28/02/2018 RM'000
Property, plant and equipment	1,036
Biological assets	11,806
Deferred tax assets	3,365
Inventories	114
Other receivables	2
Cash and bank balances	2
Other payables	(21)
Net assets disposed	16,304
Sale consideration	(15,000)
Loss on disposal of non-current assets held for sale	1,304
Cash inflow from disposal of non-current assets held for sale:	
Sale consideration	15,000
Balance of consideration	(13,500)
Cash and cash equivalents of non-current assets held for sale disposed	(2)
Net cash inflow	1,498



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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 RM152.68 million as compared to RM128.05 million in the corresponding quarter of the preceding year. The Group's profit before tax decreased to RM35.81 million as compared to RM37.05 million in the corresponding quarter of the preceding year.

For the current year to date, revenue increased 9% to RM412.29 million. Profit before tax increased by 4% to RM99.26 million. The increase in profit before tax was mainly due to higher construction progress from ongoing projects.

Total expenses for the current year to date increased by RM17.90 million as compared to the preceding year to date. This was mainly due to:

- administrative expenses increased by RM5.01 million mainly due to employees share options recognised during the current quarter;
- operating expenses increased by RM7.26 million mainly due to higher selling and marketing cost; and
- other expenses increased by RM4.18 million mainly due to the loss on foreign exchange and loss on disposal of Plantation Division.

Tabulated below is the unaudited various divisional contributions:-

INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
3 Months Ended	3 Months Ended	Variance	9 Months Ended	9 Months Ended	Variance
28/02/2018	28/02/2017		28/02/2018	28/02/2017	
RM'000	RM'000	%	RM'000	RM'000	%

REVENUE

Continuing operations

Construction Division	89,529	70,765	27	271,809	185,960	46
Property Division	57,909	51,825	12	123,400	176,026	-30
Utility Division	5,242	5,455	-4	17,079	17,032	0
Investment Holding	-	-	-	-	-	-
	<u>152,680</u>	<u>128,045</u>	<u>19</u>	<u>412,288</u>	<u>379,018</u>	<u>9</u>

Discontinued operation

Plantation Division	-	494	-	-	2,005	-
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GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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)

INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
3 Months Ended 28/02/2018	3 Months Ended 28/02/2017	Variance	9 Months Ended 28/02/2018	9 Months Ended 28/02/2017	Variance
RM'000	RM'000	%	RM'000	RM'000	%

PROFIT/(LOSS) BEFORE TAX

Continuing operations

Construction Division	20,814	23,225	-10	68,374	47,007	45
Property Division	19,522	16,915	15	38,596	49,545	-22
Utility Division	894	914	-2	1,841	4,561	-60
Investment Holding	(5,421)	(4,006)	35	(9,550)	(5,216)	83
	<u>35,809</u>	<u>37,048</u>	<u>-3</u>	<u>99,261</u>	<u>95,897</u>	<u>4</u>

Discontinued operation

Plantation Division	-	(340)	-	(155)	(973)	-84
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(A) Continuing operations

Construction Division

For the current quarter, revenue increased to RM89.53 million as compared to RM70.77 million in the corresponding quarter of the preceding year. However, profit before tax for the current quarter decreased to RM20.81 million as compared to RM23.23 million in the corresponding quarter of the preceding year.

Revenue for the current year to date increased 46% to RM271.81 million as compared to RM185.96 million recorded in the preceding year to date. In line with this, profit before tax increased 45% to RM68.37 million in the current year to date.

This was mainly due to:

- Progress arising from existing project namely, RAPID package 301 and 402;
- Commencement of work for new projects namely, KVMRT V206 project, TRX project and Cyberjaya Hospital project; and
- Recognition of variation orders attributed from completed projects.

Property Division

For the current quarter, revenue increased to RM57.91 million as compared to RM51.83 million with corresponding profit before tax increased to RM19.52 million as compared to RM16.92 million in the corresponding quarter of the preceding year.

As the overall property market demand weaken, revenue for the current year to date decreased from RM176.03 million to RM123.40 million. In tandem with this, profit before tax decreased from RM49.55 million to RM38.60 million. This was mainly due to completion of some development projects.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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)

(A) Continuing operations (Continued)

Utility Division

The current quarter revenue decreased to RM5.24 million as compared to RM5.46 million in the corresponding quarter of the preceding year. Profit before tax reduced to RM0.89 million in current quarter as compared to RM0.91 million in the corresponding quarter of the preceding year.

Revenue for the current year to date increased marginally to RM17.08 million as compared to RM17.03 million in preceding year. Profit before tax for the current year to date recorded at RM1.84 million as compared to RM4.56 million in the preceding year. This was mainly due to unrealised loss on foreign exchange of RM3.32 million.

(B) Discontinued operation

In Note A15, the Group presents and discloses in its financial statements, the financial effects of discontinued operations in accordance to FRS 5 (*Non Current Assets Held For Sale and Discontinued Operations*).

The revenue and loss before taxation from Plantation Division up to the date of completion of its disposal are recorded at RM0.24 million and RM0.16 million respectively.

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

	Current Quarter 28/02/2018 RM'000	Preceding Quarter 30/11/2017 RM'000	Variance %
Revenue	152,680	142,867	7
Operating profit	38,319	40,978	-6
Profit before interest and tax	36,868	39,380	-6
Profit before tax	35,809	38,275	-6
Profit after tax	25,029	28,532	-12
Profit attributable to equity holders of the Company	25,143	28,371	-11

The Group posted higher revenue of RM152.68 million from continuing operations in the current quarter as compared to RM142.87 million in the preceding quarter, mainly due to higher construction progress from ongoing projects. However, the Group's profit before tax decreased to RM35.81 million as compared to RM38.28 million in the preceding quarter.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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

B3. BUSINESS PROSPECTS

The Board expects the current year performance to be weaker due to the sluggish market condition of the property sector. The construction division's ability to contain the higher operating cost is critical to its overall profitability for the existing technically more complex infrastructure projects.

Broadly, the Group's initiatives adopted to sustain the year results are as follows:-

(a) Construction Division

The Division is cautiously tendering for larger Government's infrastructure and building projects and has to-date achieved an outstanding order book value of some RM1.59 billion which consist of RAPID package 301 and 402, KVMRT V206, TRX and Cyberjaya Hospital.

(b) Property Division

The Division has a total land bank size (including joint venture projects) of 442.20 acres with a total estimated gross development value (GDV) of RM3.89 billion. The Division will remain focused on affordable homes in line with the present market demand. The unbilled sales as at to-date stand at RM134 million. The on-going projects are:

- Laman View mixed development in Cyberjaya;
- The Vyne residential development in Salak South;
- Bandar Puncak Sena township development in Kedah; and
- Capital City integrated complex development in Johor Bahru.

(c) Utility Division

The recurring income from the 4 operating water treatment plants are expected to remain stable. The mini hydro project of 9MW in Indonesia is expected to be income generating by the second quarter of the financial year 2019.

The Ringgit-Indonesian Rupiah exchange rate has strengthened considerably in the recent months, hence resulted in substantial loss on foreign exchange translation.

B4. PROFIT FORECAST AND PROFIT GUARANTEE

There is no profit forecast and profit guarantee provided by the Group and as such, this disclosure requirement is not applicable.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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 28/02/2018 RM'000	9 Months Ended 28/02/2018 RM'000
Income tax expense:		
Malaysian income tax	(21,922)	(37,028)
Foreign income tax	(586)	(2,051)
Deferred tax	11,728	11,926
	<u>(10,780)</u>	<u>(27,153)</u>
Income tax expense on continuing operations	(10,780)	(27,153)
Income tax expense on discontinued operations	-	-
	<u>(10,780)</u>	<u>(27,153)</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 purpose.

B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

On 6 February 2018, the Company's indirect wholly-owned subsidiary, Splendid Pavilion Sdn Bhd entered into a conditional Sale and Purchase Agreement ("SPA") with GP Views Development Sdn Bhd for the acquisition of 2 parcels of freehold land measuring approximately 78 acres located at Pontian, State of Johor Darul Takzim for a purchase consideration of RM149 million ("Proposed Acquisition").

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



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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

(a) The details of the Group borrowings are as follows:

	Exchange rate	As at 28/02/2018					
		Long term		Short term		Total	
		Foreign denomination '000	RM denomination '000	Foreign denomination '000	RM denomination '000	Foreign denomination '000	RM denomination '000
Secured							
Revolving credit		-	-	-	44,100	-	44,100
Bank overdraft		-	-	-	7,786	-	7,786
Term loan (RM)		-	149,355	-	5,750	-	155,105
Term loan (USD)	3.7882	USD 1,446	5,476	USD 578	2,190	USD 2,024	7,666
Term loan (IDR)	0.000285	IDR 143,194,444	40,810	IDR 6,150,000	1,753	IDR 149,344,444	42,563
Hire purchase		-	22,698	-	4,363	-	27,061
			218,339		65,942		284,281

	Exchange rate	As at 28/02/2017					
		Long term		Short term		Total	
		Foreign denomination '000	RM denomination '000	Foreign denomination '000	RM denomination '000	Foreign denomination '000	RM denomination '000
Secured							
Revolving credit		-	-	-	15,200	-	15,200
Bank overdraft		-	-	-	6,757	-	6,757
Term loan (RM)		-	116,666	-	11,307	-	127,973
Term loan (USD)	4.5702	USD 2,028	9,267	USD 579	2,648	USD 2,607	11,915
Term loan (IDR)	0.000333	IDR 56,176,451	18,707	-	-	IDR 56,176,451	18,707
Hire purchase		-	9,252	-	5,179	-	14,431
			153,892		41,091		194,983

(b) Bank borrowings for the current year to date increased to RM284.28 million as compared to RM194.98 million in the preceding year to date. This was mainly to finance:

- an investment property in Damansara Perdana of RM45 million;
- project expenditure and construction of concession assets in Indonesia;
- capital expenditure for Construction Division; and
- property development expenditure for Property Division.



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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

B8. MATERIAL LITIGATION

As at 16 April 2018, being 7 days prior to the date of this announcement, there has been no material litigation pending of which the value exceeds 5% of the Group's net tangible assets.

B9. DIVIDEND

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

B10. 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 28/02/2018	3 Months Ended 28/02/2017	9 Months Ended 28/02/2018	9 Months Ended 28/02/2017
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)				
- from continuing operations	25,143	26,129	72,007	71,362
- from discontinued operation	-	(340)	(155)	(973)
	<u>25,143</u>	<u>25,789</u>	<u>71,852</u>	<u>70,389</u>
Weighted average number of ordinary shares in issue ('000)	<u>657,999</u>	<u>646,558</u>	<u>657,999</u>	<u>646,558</u>
Basic earnings per share (sen)				
- from continuing operations	3.82	4.04	10.94	11.04
- from discontinued operation	-	(0.05)	(0.02)	(0.15)
	<u>3.82</u>	<u>3.99</u>	<u>10.92</u>	<u>10.89</u>



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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 (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 28/02/2018	3 Months Ended 28/02/2017	9 Months Ended 28/02/2018	9 Months Ended 28/02/2017
Net profit attributable to ordinary equity holders of the Company (RM'000)				
- from continuing operations	25,143	26,129	72,007	71,362
- from discontinued operation	-	(340)	(155)	(973)
	<u>25,143</u>	<u>25,789</u>	<u>71,852</u>	<u>70,389</u>
Weighted average number of ordinary shares in issue ('000)	657,999	646,558	657,999	646,558
Effect of dilution:				
Exercise of warrants	1,710	-	1,710	-
Employee share option	15,567	7,971	15,567	7,971
Adjusted weighted average number of ordinary shares ('000)	<u>675,276</u>	<u>654,529</u>	<u>675,276</u>	<u>654,529</u>
Basic earnings per share (sen)				
- from continuing operations	3.72	3.99	10.66	10.90
- from discontinued operation	-	(0.05)	(0.02)	(0.15)
	<u>3.72</u>	<u>3.94</u>	<u>10.64</u>	<u>10.75</u>



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2018

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

B11. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Current Quarter 28/02/2018 RM'000	Current Year-to-date 28/02/2018 RM'000
Depreciation of property, plant and equipment	4,224	12,283
Finance costs	526	1,282
Rental of land and premises	368	1,139

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

	Current Quarter 28/02/2018 RM'000	Current Year-to-date 28/02/2018 RM'000
Bad debts written off	11	59
Dividend received from short term funds	(810)	(1,980)
Depreciation and amortisation	1,451	4,881
Fair value gain on receivables	(2,002)	(2,002)
Equity-settled share based payment	4,383	4,383
Finance costs	1,059	2,723
Gain on disposal of property, plant and equipment	(150)	(575)
Interest income	(1,218)	(3,820)
Loss on disposal of non-current assets held for sale	-	1,304
Property, plant and equipment written off	-	7
Net unrealised loss on foreign exchange	1,168	3,758
Reversal of impairment loss on non-current assets held for sale	-	(1,211)
Waiver of liability	(4)	(4)

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 28 FEBRUARY 2018

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

B12. COMPARATIVE FIGURES

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

INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
As restated	As previously reported	As restated	As previously reported
28/02/2017	28/02/2017	28/02/2017	28/02/2017
RM'000	RM'000	RM'000	RM'000

Condensed Consolidated
Statements of Comprehensive
Income (Extract):-

Revenue	128,045	128,539	379,018	381,023
Cost of sales	(77,619)	(77,924)	(256,066)	(257,517)
Administrative expenses	(9,289)	(9,489)	(19,587)	(20,102)
Depreciation and amortisation	(1,471)	(1,750)	(4,412)	(5,249)
Operating expenses	(4,368)	(4,417)	(12,301)	(12,470)
Finance costs	(502)	(503)	(1,740)	(1,746)