



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (The figures are unaudited)

|  | INDIVIDUAL QUARTER              |                                 |            | CUMULATIVE PERIOD               |                                 |            |
|--|---------------------------------|---------------------------------|------------|---------------------------------|---------------------------------|------------|
|  | 3 Months<br>Ended<br>30/11/2018 | 3 Months<br>Ended<br>30/11/2017 | Variance   | 6 Months<br>Ended<br>30/11/2018 | 6 Months<br>Ended<br>30/11/2017 | Variance   |
|  | RM'000                          | RM'000                          | %          | RM'000                          | RM'000                          | %          |
| Revenue  | 168,515                         | 142,867                         | 18         | 297,664                         | 259,607                         | 15         |
| Cost of sales  | (139,845)                       | (91,494)                        | 53         | (238,323)                       | (172,766)                       | 38         |
| <b>Gross profit</b>  | <b>28,670</b>                   | <b>51,373</b>                   | <b>-44</b> | <b>59,341</b>                   | <b>86,841</b>                   | <b>-32</b> |
| Other income   | 4,557                           | 3,668                           | 24         | 9,050                           | 6,357                           | 42         |
| Administrative expenses                                    | (5,539)                         | (4,806)                         | 15         | (11,138)                        | (11,070)                        | 1          |
| Depreciation   | (1,459)                         | (1,598)                         | -9         | (3,005)                         | (3,430)                         | -12        |
| Operating expenses   | (4,575)                         | (6,564)                         | -30        | (8,449)                         | (10,812)                        | -22        |
| Other expenses   | 936                             | (2,797)                         | >100       | (125)                           | (2,935)                         | -96        |
| Finance costs  | (565)                           | (1,105)                         | -49        | (993)                           | (1,664)                         | -40        |
| Share of results of joint ventures                         | 474                             | 104                             | >100       | 633                             | 165                             | >100       |
| <b>Profit before tax</b>                                   | <b>22,499</b>                   | <b>38,275</b>                   | <b>-41</b> | <b>45,314</b>                   | <b>63,452</b>                   | <b>-29</b> |
| Income tax expense   | (5,537)                         | (9,743)                         | -43        | (11,814)                        | (16,373)                        | -28        |
| <b>Net profit from continuing operations</b>               | <b>16,962</b>                   | <b>28,532</b>                   | <b>-41</b> | <b>33,500</b>                   | <b>47,079</b>                   | <b>-29</b> |
| <b>Discontinued operation:</b>                             |                                 |                                 |            |                                 |                                 |            |
| Loss after tax from discontinued operation                 | -                               | -                               | -          | -                               | (155)                           | -          |
| <b>Net profit for the financial period</b>                 | <b>16,962</b>                   | <b>28,532</b>                   | <b>-41</b> | <b>33,500</b>                   | <b>46,924</b>                   | <b>-29</b> |
| <b>Other comprehensive income:</b>                         |                                 |                                 |            |                                 |                                 |            |
| Foreign currency translation                               | 2,783                           | (3,220)                         | >100       | 1,556                           | (3,387)                         | >100       |
| <b>Total comprehensive income for the financial period</b> | <b>19,745</b>                   | <b>25,312</b>                   | <b>-22</b> | <b>35,056</b>                   | <b>43,537</b>                   | <b>-19</b> |
| <b>Net profit attributable to:</b>                         |                                 |                                 |            |                                 |                                 |            |
| Equity holders of the Company                              | 17,029                          | 28,371                          | -40        | 33,570                          | 46,709                          | -28        |
| Non-controlling interests                                  | (67)                            | 161                             | >100       | (70)                            | 215                             | >100       |
|  | <b>16,962</b>                   | <b>28,532</b>                   | <b>-41</b> | <b>33,500</b>                   | <b>46,924</b>                   | <b>-29</b> |
| <b>Total comprehensive income attributable to:</b>         |                                 |                                 |            |                                 |                                 |            |
| Equity holders of the Company                              | 19,649                          | 25,382                          | -23        | 35,040                          | 43,566                          | -20        |
| Non-controlling interests                                  | 96                              | (70)                            | >100       | 16                              | (29)                            | >100       |
|  | <b>19,745</b>                   | <b>25,312</b>                   | <b>-22</b> | <b>35,056</b>                   | <b>43,537</b>                   | <b>-19</b> |



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (Continued)**  
(The figures are unaudited)

|   | INDIVIDUAL QUARTER                        |   | CUMULATIVE PERIOD                         |   |
|---|---|---|---|---|
|   | 3 Months<br>Ended<br>30/11/2018<br>RM'000 | 3 Months<br>Ended<br>30/11/2017<br>RM'000 | 6 Months<br>Ended<br>30/11/2018<br>RM'000 | 6 Months<br>Ended<br>30/11/2017<br>RM'000 |
| <b>Basic earnings per share (sen)</b>   |   |   |   |   |
| - continuing operations                 | 2.57                                      | 4.32                                      | 5.07                                      | 7.13                                      |
| - discontinued operation                | -   | -   | -   | (0.02)                                    |
|   | 2.57                                      | 4.32                                      | 5.07                                      | 7.10                                      |
| <b>Diluted earnings per share (sen)</b> |   |   |   |   |
| - continuing operations                 | 2.57                                      | 4.23                                      | 5.07                                      | 6.99                                      |
| - discontinued operation                | -   | -   | -   | (0.02)                                    |
|   | 2.57                                      | 4.23                                      | 5.07                                      | 6.97                                      |

*The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2018.*



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2018

|   | Unaudited<br>As At<br>30/11/2018<br>RM'000 | Restated<br>As At<br>31/05/2018<br>RM'000 | Restated<br>As At<br>01/06/2017<br>RM'000 |
|---|--|---|---|
| <b>ASSETS</b>   |  |   |   |
| <b>Non-current assets</b>                                   |  |   |   |
| Concession assets   | 122,162                                    | 117,156                                   | 91,619                                    |
| Property, plant and equipment                               | 60,059                                     | 73,783                                    | 63,646                                    |
| Investment properties                                       | 79,742                                     | 78,849                                    | 15,984                                    |
| Inventories - land held for property development            | 3,901                                      | 3,897                                     | 3,889                                     |
| Investment in joint ventures                                | 2,114                                      | 1,481                                     | 37  |
| Non-trade receivables                                       | 2,505                                      | 2,427                                     | 2,593                                     |
| Other investment  | 100  | 100                                       | 100                                       |
| Goodwill  | 17,373                                     | 17,101                                    | 18,430                                    |
| Deferred tax assets   | 16,738                                     | 16,355                                    | 6,245                                     |
|   | 304,694                                    | 311,149                                   | 202,543                                   |
| <b>Current assets</b>                                       |  |   |   |
| Inventories - completed properties and others               | 73,776                                     | 69,806                                    | 980                                       |
| Inventories - property development costs                    | 824,151                                    | 834,281                                   | 731,019                                   |
| Trade and other receivables                                 | 172,054                                    | 139,468                                   | 126,320                                   |
| Contract assets   | 103,729                                    | 64,447                                    | 81,553                                    |
| Current tax assets  | 6,711                                      | 5,424                                     | 6,632                                     |
| Short term funds  | 42,740                                     | 54,368                                    | 59,435                                    |
| Fixed deposits placed with licensed banks                   | 89,800                                     | 92,542                                    | 87,909                                    |
| Cash and bank balances                                      | 91,928                                     | 131,017                                   | 114,572                                   |
|   | 1,404,889                                  | 1,391,353                                 | 1,208,420                                 |
| Assets classified as held for sale                          | -  | -   | 15,521                                    |
| <b>TOTAL ASSETS</b>   | 1,709,583                                  | 1,702,502                                 | 1,426,484                                 |
| <b>EQUITY AND LIABILITIES</b>                               |  |   |   |
| <b>Equity attributable to Equity Holders of the Company</b> |  |   |   |
| Share Capital   | 338,380                                    | 338,380                                   | 331,678                                   |
| Reserves  | 384,270                                    | 366,504                                   | 291,490                                   |
|   | 722,650                                    | 704,884                                   | 623,168                                   |
| <b>Non-controlling interests</b>                            | 4,340                                      | 4,324                                     | 8,003                                     |
| <b>Total equity</b>   | 726,990                                    | 709,208                                   | 631,171                                   |



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2018 (Continued)

|  | <b>Unaudited</b><br>As At<br>30/11/2018<br>RM'000 | <b>Restated</b><br>As At<br>31/05/2018<br>RM'000 | <b>Restated</b><br>As At<br>01/06/2017<br>RM'000 |
|--|---|--|--|
| <b>Non-current liabilities</b>   |   |  |  |
| Bank borrowings  | 243,485   | 219,856  | 143,819  |
| Deferred tax liabilities   | 4,712   | 4,773  | 6,449  |
| Defined benefit obligations  | 2,461   | 2,508  | 2,039  |
| Non-trade payables   | 260,067   | 272,666  | 243,554  |
|  | 510,725   | 499,803  | 395,861  |
| <b>Current liabilities</b>   |   |  |  |
| Contract liabilities   | -   | 33,584   | 65,739   |
| Trade and other payables   | 405,799   | 392,038  | 280,271  |
| Bank borrowings  | 61,158  | 63,555   | 48,771   |
| Current tax liabilities  | 4,911   | 4,314  | 4,150  |
|  | 471,868   | 493,491  | 398,931  |
| Liabilities classified as held for sale  | -   | -  | 521  |
| <b>Total liabilities</b>   | 982,593   | 993,294  | 795,313  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | 1,709,583   | 1,702,502  | 1,426,484  |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 1.09  | 1.07   | 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 2018.*



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (The figures are unaudited)

|   | Share Capital<br>RM'000 | Share Option<br>Reserves<br>RM'000 | Capital<br>Reserves<br>RM'000 | Foreign<br>Exchange<br>Translation<br>Reserves<br>RM'000 | Retained Profits<br>RM'000 | Total<br>RM'000 | Non-controlling<br>Interest<br>RM'000 | Total Equity<br>RM'000 |
|---|-------------------------|------------------------------------|-------------------------------|--|----------------------------|-----------------|---------------------------------------|------------------------|
| <b>At 1 June 2018</b>   |                         |                                    |                               |  |                            |                 |                                       |                        |
| As previously reported  | 338,380                 | 3,721                              | 1,347                         | (4,283)  | 365,719                    | <b>704,884</b>  | 4,324                                 | <b>709,208</b>         |
| Effects of adoption of MFRS                                       | -                       | -                                  | -                             | -  | 2,578                      | <b>2,578</b>    | -                                     | <b>2,578</b>           |
| As restated   | 338,380                 | 3,721                              | 1,347                         | (4,283)  | 368,297                    | <b>707,462</b>  | 4,324                                 | <b>711,786</b>         |
| Total comprehensive income  | -                       | -                                  | -                             | 1,470  | 33,570                     | <b>35,040</b>   | 16                                    | <b>35,056</b>          |
| Dividend on ordinary shares                                       | -                       | -                                  | -                             | -  | (19,852)                   | <b>(19,852)</b> | -                                     | <b>(19,852)</b>        |
| <b>At 30 November 2018</b>  | <b>338,380</b>          | <b>3,721</b>                       | <b>1,347</b>                  | <b>(2,813)</b>   | <b>382,015</b>             | <b>722,650</b>  | <b>4,340</b>                          | <b>726,990</b>         |
| <b>At 1 June 2017</b>   | <b>331,678</b>          | <b>743</b>                         | <b>1,347</b>                  | <b>1,772</b>   | <b>287,628</b>             | <b>623,168</b>  | <b>8,003</b>                          | <b>631,171</b>         |
| Total comprehensive income  | -                       | -                                  | -                             | (3,143)  | 46,709                     | <b>43,566</b>   | (29)                                  | <b>43,537</b>          |
| Employees share option exercised                                  | 3,143                   | -                                  | -                             | -  | -                          | <b>3,143</b>    | -                                     | <b>3,143</b>           |
| Dividend on ordinary shares                                       | -                       | -                                  | -                             | -  | (19,758)                   | <b>(19,758)</b> | -                                     | <b>(19,758)</b>        |
| Transfer to share capital for employees<br>share option exercised | 512                     | (512)                              | -                             | -  | -                          | -               | -                                     | -                      |
| Acquisition of a subsidiary                                       | -                       | -                                  | -                             | -  | -                          | -               | 46                                    | <b>46</b>              |
| <b>At 30 November 2017</b>  | <b>335,333</b>          | <b>231</b>                         | <b>1,347</b>                  | <b>(1,371)</b>   | <b>314,579</b>             | <b>650,119</b>  | <b>8,020</b>                          | <b>658,139</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 2018.*



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (The figures are unaudited)

|   | <b>6 Months<br/>Ended<br/>30/11/2018<br/>RM'000</b> | <b>6 Months<br/>Ended<br/>30/11/2017<br/>RM'000</b> |
|---|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |   |   |
| Profit/(Loss) before tax:   |   |   |
| - continuing operations   | 45,314  | 63,452  |
| - discontinued operation  | -   | (155)   |
| Adjustments for:  |   |   |
| Bad debts written off   | -   | 48  |
| Decrease in liability for defined benefit obligations             | (46)  | (203)   |
| Depreciation of:  |   |   |
| - concession assets   | 1,255   | 1,550   |
| - investment properties   | 449   | 281   |
| - property, plant and equipment                                   | 9,281   | 9,658   |
| Finance costs   | 1,816   | 2,420   |
| Gain on disposal of property, plant and equipment                 | (1,031)   | (425)   |
| Income received from short term funds                             | (1,248)   | (1,170)   |
| Interest income   | (2,212)   | (2,602)   |
| Loss on disposal of non-current assets held for sale              | -   | 1,304   |
| Net unrealised (gain)/loss on foreign exchange                    | (626)   | 2,590   |
| Property, plant and equipment written off                         | 40  | 7   |
| Reversal of impairment losses on non-current assets held for sale | -   | (1,211)   |
| Share of results of joint ventures                                | (633)   | (165)   |
| Operating profit before working capital changes                   | 52,359  | 75,379  |
| Changes in working capital:                                       |   |   |
| Inventories - property development costs                          | 12,703  | 7,937   |
| Contract assets/(Contract liabilities)                            | (43,855)  | 28,581  |
| Inventories - completed properties and others                     | (3,970)   | (28,687)  |
| Receivables   | (32,664)  | 891   |
| Payables  | (27,936)  | (24,664)  |
| Net income tax paid   | (12,893)  | (12,801)  |
| <b>Net Operating Cash Flows</b>                                   | <b>(56,256)</b>                                     | <b>46,636</b>                                       |



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (Continued)

(The figures are unaudited)

|  | <b>6 Months<br/>Ended<br/>30/11/2018<br/>RM'000</b> | <b>6 Months<br/>Ended<br/>30/11/2017<br/>RM'000</b> |
|--|---|---|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                      |   |   |
| Purchase of:   |   |   |
| - property, plant and equipment  | (826)   | (2,150)   |
| - concession assets  | (3,824)   | (25,167)  |
| - investment property  | -   | (55,714)  |
| Borrowing cost capitalised in investment property                                | (1,342)   | -   |
| Investment in a subsidiary   | -   | (140)   |
| Investment in a joint venture  | -   | (509)   |
| Proceeds from disposal of:   |   |   |
| - concession assets  | -   | 1,763   |
| - non-current assets held for sale, net of cash and cash equivalents disposed of | -   | 1,498   |
| - property, plant and equipment  | 6,627   | 782   |
| Income received from short term funds  | 1,248   | 1,170   |
| Interest income  | 2,212   | 2,602   |
| <b>Net Investing Cash Flows</b>  | <b>4,095</b>  | <b>(75,865)</b>                                     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                      |   |   |
| Drawdown of bank borrowings  | 35,540  | 92,842  |
| Finance costs  | (1,816)   | (2,420)   |
| Proceeds from issue of ordinary share capital                                    | -   | 3,143   |
| Repayment of:  |   |   |
| - bank borrowings  | (9,857)   | (16,385)  |
| - hire purchase liabilities  | (6,003)   | (2,987)   |
| Fixed deposits pledged as security values  | (6,427)   | (11,502)  |
| Dividend paid  | (19,852)  | (19,758)  |
| <b>Net Financing Cash Flows</b>  | <b>(8,415)</b>                                      | <b>42,933</b>                                       |
| Net change in cash and cash equivalents  | (60,576)  | 13,704  |
| Effect of exchange rate changes  | 913   | (2,571)   |
| Cash and cash equivalents at the beginning of the financial period               | 209,064   | 201,221   |
| Cash and cash equivalents at the end of the financial period                     | <b>149,401</b>                                      | <b>212,354</b>                                      |



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (Continued)**  
(The figures are unaudited)

|   | <b>6 Months<br/>Ended<br/>30/11/2018<br/>RM'000</b> | <b>6 Months<br/>Ended<br/>30/11/2017<br/>RM'000</b> |
|---|---|---|
| <b>Analysis of Cash and Cash Equivalents</b>    |   |   |
| Cash and bank balances                          | 91,928  | 144,593   |
| Short term funds                                | 42,740  | 38,162  |
| Fixed deposits placed with licensed banks       | 89,800  | 101,379   |
| Bank overdrafts                                 | (8,100)   | (6,964)   |
|   | <hr/>   | <hr/>   |
|   | 216,368   | 277,170   |
| Less: Fixed deposits pledged as security values | (66,967)  | (64,816)  |
|   | <hr/>   | <hr/>   |
| <b>Total</b>                                    | <b>149,401</b>                                      | <b>212,354</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 2018.*





## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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 Malaysian Financial Reporting Standard (“MFRS”) 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 2018. 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 2018.

##### A2. CHANGES IN ACCOUNTING POLICIES

On 30 November 2017, Malaysian Accounting Standards Board issued notice of withdrawal of Financial Reporting Standards for the application on financial statements with annual reporting period beginning on or after 1 January 2018. Therefore, the Group has adopted and prepared its first set of interim financial report in accordance with MFRS Framework effective 1 June 2018.

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 2018, except for the adoption of the following new MFRSs, Amendments/Improvements to MFRSs and IC Interpretations as follows:

| <b>Standard</b>                               | <b>Title</b>  |
|---|---|
| MFRS 9  | Financial Instruments [IFRS 9 as issued by IASB in July 2014]   |
| MFRS 15                                       | Revenue from Contracts with Customers   |
| Amendments to MFRS 2                          | Classification and Measurement of Shared-based Payment Transactions   |
| Amendments to MFRS 4                          | Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts   |
| Amendments to MFRS 15                         | Clarifications to MFRS 15   |
| MFRS 128                                      | Investments in Associates and Joint Ventures [Annual Improvements to MFRS Standards 2014-2016 Cycle]  |
| Amendments to MFRS 140                        | Transfer of Investment Property   |
| Annual Improvements to MFRSs 2014-2016 Cycles | <ul style="list-style-type: none"><li>• Amendments to MFRS 1 [Deletion of Short-term Exemptions for First-time Adopters]</li><li>• Amendments to MFRS 128 [Measuring an Associate or Joint Venture at Fair Value]</li></ul> |
| <u>IC Interpretations</u>                     |   |
| IC 22   | Foreign Currency Transactions and Advance Consideration   |

The adoption of these new MFRSs, Amendments/Improvements to MFRSs and IC Interpretations do not have any material impact on the financial statement of the Group.



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2018

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

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

As provided in MFRS 1, first-time adopter of MFRS Framework can elect optional exemptions from full retrospective application of MFRSs. The Group has elected not to apply MFRS 3 Business Combinations and MFRS 10 Consolidated Financial Statements retrospectively, that is, not to restate any of its business combinations that occurred before the date of transition to MFRS Framework.

The two newly effective standards which were adopted pursuant to the adoption of the MFRS Framework, namely MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers have resulted in the following changes to the financial statements:

(i) *MFRS 9 Financial Instruments*

MFRS 9 introduces the expected credit loss ("ECL") model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model requires impairment to be recognised on initial recognition including expected future credit losses whilst the incurred loss impairment model only requires recognition of credit losses on incurred basis.

The Group has assessed the impact of the adoption of MFRS 9 and concluded that the adoption does not have any significant impact to the Group.

(ii) *MFRS 15 Revenue from Contracts with Customers*

Under MFRS 15, an entity shall recognise revenue when a performance obligation is satisfied, i.e. when control of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The Group recognised revenue from contract works and property development over time when it has an enforceable right to payment for the performance obligation completed to date.

Incremental costs of obtaining a contract with a customer had previously expensed off, such as sales commissions. However, these costs meet the criteria to be capitalised upon transition to MFRS 15 and to be recognised as assets if the entity expects to recover those costs. These costs to be amortised consistently with the transfer of the goods or services to the customers.

Upon withdrawal of FRS 201 Property Development Activities, land held for property development and property development costs are reclassified as inventories as these assets are in the process of completion for sale. These inventories are carried at the lower of cost or net realisable value.

MFRS 15 requires separate presentation of contract assets and contract liabilities in the statement of financial position. This results in some reclassifications as at 1 June 2018. Contract assets identified are mainly the right to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract assets are the excess of cumulative revenue earned over cumulative billings to-date and contract liabilities are the obligations to transferred goods and services to the customers for which the Group has received the consideration or has billed the customers.

For initial application of MFRS 15, the Group applies the standard using the modified retrospective approach by recognising its cumulative effect of RM2.58 million to the retained profits as at 1 June 2018 on contracts which were on-going after 1 January 2018, and that the comparatives will not be restated.



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2018

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

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

##### (ii) MFRS 15 Revenue from Contracts with Customers (Continued)

The financial impacts to the Group are disclosed in the following tables:

|  | As<br>previously<br>reported<br>RM'000 | Adjustments<br>RM'000 | As restated<br>RM'000 |
|--|--|-----------------------|-----------------------|
| <b>Impact on Statement of Financial Position</b> |  |                       |                       |
| <b>As at 31 May 2018/1 June 2018</b>             |  |                       |                       |
| <b><u>Non-current assets</u></b>                 |  |                       |                       |
| Inventories - land held for property development | -                                      | 3,897                 | 3,897                 |
| Land held for property development               | 3,897                                  | (3,897)               | -                     |
| <b><u>Current assets</u></b>                     |  |                       |                       |
| Inventories - completed properties and others    | -                                      | 69,806                | 69,806                |
| Inventories - property development costs         | -                                      | 834,281               | 834,281               |
| Contract assets                                  | -                                      | 64,447                | 64,447                |
| Inventories                                      | 69,806                                 | (69,806)              | -                     |
| Property development costs                       | 834,281                                | (834,281)             | -                     |
| Trade and other receivables                      | 155,030                                | (15,562)              | 139,468               |
| Amount due from customers on contracts           | 48,885                                 | (48,885)              | -                     |
| <b><u>Current liabilities</u></b>                |  |                       |                       |
| Contract liabilities                             | -                                      | 33,584                | 33,584                |
| Amount due to customers on contracts             | 4,573                                  | (4,573)               | -                     |
| Trade and other payables                         | 421,049                                | (29,011)              | 392,038               |



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2018

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

#### A3. AUDIT REPORT

The auditors' report on the Group's annual financial statements for the financial year ended 31 May 2018 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.

#### A7. DEBT AND EQUITY SECURITIES

There were no cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter under review.

The movement of the share options are as follows:-

| Option price (RM) | Date of offer | No. of options   |         |           |        | As at 30/11/2018 | Exercisable as at 30/11/2018 |
|-------------------|---------------|------------------|---------|-----------|--------|------------------|------------------------------|
|                   |               | As at 01/09/2018 | Granted | Exercised | Lapsed |                  |                              |
| 0.86              | 16.12.2016    | 67,372,700       | -       | -         | -      | 67,372,700       | 16,204,400                   |
| 1.03              | 05.01.2018    | 14,933,300       | -       | -         | -      | 14,933,300       | 3,532,400                    |
|                   |               | 82,306,000       | -       | -         | -      | 82,306,000       | 19,736,800                   |

There was no conversion of Warrant 2016/2021 for the current quarter under review. The number of outstanding warrants as at 30 November 2018 was 129,254,039.

#### A8. DIVIDEND PAID

At the Company's Annual General Meeting held on 7 November 2018, the shareholders of the Company approved the first and final dividend of 3 sen per share in respect of the financial year ended 31 May 2018. The Company paid the dividend on 7 December 2018.



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2018

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

#### A9. SEGMENTAL REPORTING

##### 6 months ended 30 November 2018 (Current Financial Period)

|                                    | Construction<br>Division<br>RM'000 | Property<br>Division<br>RM'000 | Utility<br>Division<br>RM'000 | Investment<br>Holding<br>RM'000 | Consolidated<br>RM'000 |
|------------------------------------|------------------------------------|--------------------------------|-------------------------------|---------------------------------|------------------------|
| <b>Revenue</b>                     | 192,579                            | 93,724                         | 11,361                        | -                               | 297,664                |
| <b>Results</b>                     |                                    |                                |                               |                                 |                        |
| Segment results                    | 22,493                             | 23,523                         | 3,541                         | (3,883)                         | 45,674                 |
| Finance costs                      | (97)                               | (717)                          | (179)                         | -                               | (993)                  |
| Share of results of joint ventures | 633                                | -                              | -                             | -                               | 633                    |
| Profit/(Loss) before tax           | 23,029                             | 22,806                         | 3,362                         | (3,883)                         | 45,314                 |
| Income tax expense                 |                                    |                                |                               |                                 | (11,814)               |
| Profit for the financial period    |                                    |                                |                               |                                 | 33,500                 |

##### 6 months ended 30 November 2017 (Previous Financial Period)

|   | Construction<br>Division<br>RM'000 | Property<br>Division<br>RM'000 | Utility<br>Division<br>RM'000 | Investment<br>Holding<br>RM'000 | Consolidated<br>RM'000 |
|---|------------------------------------|--------------------------------|-------------------------------|---------------------------------|------------------------|
| <b>Revenue</b>                                | 182,279                            | 65,491                         | 11,837                        | -                               | 259,607                |
| <b>Results</b>                                |                                    |                                |                               |                                 |                        |
| Segment results                               | 48,203                             | 19,706                         | 1,171                         | (4,129)                         | 64,951                 |
| Finance costs                                 | (808)                              | (632)                          | (224)                         | -                               | (1,664)                |
| Share of results of joint ventures            | 165                                | -                              | -                             | -                               | 165                    |
| Profit/(Loss) before tax                      | 47,560                             | 19,074                         | 947                           | (4,129)                         | 63,452                 |
| Income tax expense                            |                                    |                                |                               |                                 | (16,373)               |
| Loss after tax from<br>discontinued operation | -                                  | -                              | -                             | -                               | (155)                  |
| Profit for the financial period               |                                    |                                |                               |                                 | 46,924                 |



## **GADANG HOLDINGS BERHAD**

(Company No. 278114-K)

### **INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2018**

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

##### **A10. CARRYING AMOUNT OF REVALUED ASSETS**

The valuations of property, plant and equipment and concession assets have been brought forward without amendment from the audited financial statements for the financial year ended 31 May 2018.

##### **A11. SIGNIFICANT SUBSEQUENT EVENTS**

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**

There are no contingent liabilities for the Group as at the date of this report.

##### **A14. CAPITAL COMMITMENTS**

There are no material capital commitments as at the date of this report.



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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 higher revenue of RM168.52 million as compared to RM142.87 million in the corresponding quarter of the preceding year. The Group's profit before tax decreased to RM22.50 million as compared to RM38.28 million in the corresponding quarter of the preceding year.

For the current year to date, revenue increased by 15% to RM297.67 million. However, the profit before tax decreased by 29% to RM45.31 million.

The lower profit margin for current quarter and year to date was mainly due to recognition of some variation orders for completed construction projects in the preceding year.

Other income for the current year to date increased to RM9.08 million as compared to RM6.36 million in the preceding year to date mainly due to unrealised gain on foreign exchange and rental of machinery.

Tabulated below is the unaudited various divisional contributions:-

| INDIVIDUAL QUARTER        |                           |          | CUMULATIVE PERIOD         |                           |          |
|---------------------------|---------------------------|----------|---------------------------|---------------------------|----------|
| 3 Months Ended 30/11/2018 | 3 Months Ended 30/11/2017 | Variance | 6 Months Ended 30/11/2018 | 6 Months Ended 30/11/2017 | Variance |
| RM'000                    | RM'000                    | %        | RM'000                    | RM'000                    | %        |

#### REVENUE

##### Continuing operations

|                       |                |                |           |                |                |           |
|-----------------------|----------------|----------------|-----------|----------------|----------------|-----------|
| Construction Division | 123,009        | 105,521        | 17        | 192,579        | 182,279        | 6         |
| Property Division     | 39,873         | 31,704         | 26        | 93,724         | 65,491         | 43        |
| Utility Division      | 5,633          | 5,642          | 0         | 11,361         | 11,837         | -4        |
| Investment Holding    | -              | -              | -         | -              | -              | -         |
|                       | <u>168,515</u> | <u>142,867</u> | <u>18</u> | <u>297,664</u> | <u>259,607</u> | <u>15</u> |

##### Discontinued operation

|                     |   |     |   |   |     |   |
|---------------------|---|-----|---|---|-----|---|
| Plantation Division | - | 235 | - | - | 235 | - |
|---------------------|---|-----|---|---|-----|---|

#### PROFIT/(LOSS) BEFORE TAX

##### Continuing operations

|                       |               |               |            |               |               |            |
|-----------------------|---------------|---------------|------------|---------------|---------------|------------|
| Construction Division | 12,494        | 30,851        | -60        | 23,029        | 47,560        | -52        |
| Property Division     | 9,226         | 10,536        | -12        | 22,806        | 19,074        | 20         |
| Utility Division      | 2,831         | (660)         | >100       | 3,362         | 947           | >100       |
| Investment Holding    | (2,052)       | (2,452)       | -16        | (3,883)       | (4,129)       | -6         |
|                       | <u>22,499</u> | <u>38,275</u> | <u>-41</u> | <u>45,314</u> | <u>63,452</u> | <u>-29</u> |

##### Discontinued operation

|                     |   |   |   |   |       |   |
|---------------------|---|---|---|---|-------|---|
| Plantation Division | - | - | - | - | (155) | - |
|---------------------|---|---|---|---|-------|---|



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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)**

###### **Construction Division**

For the current quarter, revenue increased to RM123.01 million as compared to RM105.52 million in the corresponding quarter of the preceding year. Profit before tax for the current quarter decreased to RM12.49 million as compared to RM30.85 million in the corresponding quarter of the preceding year.

Revenue for the current year to date increased to RM192.58 million as compared to RM182.28 million in the preceding year to date. However, profit before tax decreased to RM23.03 million in the current year to date as compared to RM 47.56 million in the preceding year to date. This was mainly due to both better margins and higher volume of variation orders completed and recognised in the preceding year.

###### **Property Division**

For the current quarter, revenue increased to RM39.87 million as compared to RM31.70 million in the corresponding quarter of the preceding year. Profit before tax decreased to RM9.23 million as compared to RM10.54 million in the corresponding quarter of the preceding year.

Revenue for the current year to date increased by 43% to RM93.73 million as compared to RM65.49 million in the preceding year to date. Correspondingly, profit before tax increased by 20% to RM22.81 million as compared to RM19.07 million in the preceding year to date, arising from better work progress and improved sales achieved for the existing on-going projects.

###### **Utility Division**

For the current quarter, revenue decreased marginally to RM5.63 million as compared to RM5.64 million in the corresponding quarter of the preceding year. Profit before tax increased to RM2.83 million as compared to loss before tax of RM0.66 million in the corresponding quarter of the preceding year.

Revenue for the current year to date decreased marginally to RM11.36 million from RM11.83 million, with profit before tax increased to RM3.36 million from RM0.95 million in the preceding year to date, mainly due to favourable foreign exchange translation effect.





## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2018

#### 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

|   | Current Quarter<br>30/11/2018<br>RM'000 | Preceding Quarter<br>31/08/2018<br>RM'000 | Variance<br>% |
|---|---|---|---------------|
| Revenue   | 168,515                                 | 129,149                                   | 30            |
| Operating profit  | 24,523                                  | 24,788                                    | -1            |
| Profit before interest and tax                          | 23,064                                  | 23,243                                    | -1            |
| Profit before tax                                       | 22,499                                  | 22,816                                    | -1            |
| Profit after tax  | 16,962                                  | 16,538                                    | 3             |
| Profit attributable to equity holders<br>of the Company | 17,029                                  | 16,542                                    | 3             |

The Group recorded higher revenue of RM168.52 million in the current quarter as compared to RM129.15 million in the preceding quarter, arising from increased work activities from on-going projects. However, the Group's profit before tax decreased marginally to RM22.50 million as compared to RM22.82 million in the preceding quarter impacted by lower profit margin for the construction projects.

#### B3. BUSINESS PROSPECTS

The Board foresees a challenging period for the Group in view of the present economic outlook and has taken active steps to continue to replenish its order book and intensify its marketing initiatives for its property projects to stay resilient. Barring unforeseen circumstances, the Group expects to remain profitable in the current financial year.

##### Construction Division

The highly competitive environment of the construction industry, coupled with increasing material prices and escalating labour costs has deteriorated our margin for the existing on-going projects. Nevertheless, the Division will continue to implement continuous cost management measures to safeguard its margin. The current outstanding order book of RM1.43 billion shall provide stable income visibility going forward.

##### Property Division

The general weakness in the property market has affected sales and accordingly impacted the performance of our Property Division. The Division has introduced more aggressive marketing efforts to promote sales of its existing on-going and completed projects. With unbilled sales of RM100.90 million and planned new launches, the Property Division is expected to deliver positive performance in this financial year.

##### Utility Division

Earnings from the existing four water concession plants will remain stable.



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2018

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

##### 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.

##### B5. TAXATION

Taxation comprises the following:

|                      | <b>3 Months<br/>Ended<br/>30/11/2018<br/>RM'000</b> | <b>6 Months<br/>Ended<br/>30/11/2018<br/>RM'000</b> |
|----------------------|---|---|
| Income tax expense:  |   |   |
| Malaysian income tax | (5,087)   | (10,770)  |
| Foreign income tax   | (686)   | (1,477)   |
| <br>Deferred tax     | <br>236   | <br>433   |
|                      | <hr/> <b>(5,537)</b>                                | <hr/> <b>(11,814)</b>                               |

The effective tax rate for the Group for the current quarter was higher than the statutory tax rate mainly due to unutilised business losses of certain subsidiaries. The business losses will be utilised when the subsidiaries have taxable profit.

##### 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

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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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

The details of the Group borrowings are as follows:

|                                      | As at<br>30/11/2018<br>RM'000 | As at<br>31/05/2018<br>RM'000 |
|--------------------------------------|-------------------------------|-------------------------------|
| (a) (i) <b>Short Term Borrowings</b> |                               |                               |
| Revolving credits                    | 42,700                        | 34,999                        |
| Trust receipt                        | -                             | 169                           |
| Bank overdraft                       | 8,101                         | 8,326                         |
| Term loans                           | 4,033                         | 9,000                         |
| Hire purchase payables               | 6,324                         | 11,061                        |
|                                      | <u>61,158</u>                 | <u>63,555</u>                 |
| (ii) <b>Long Term Borrowings</b>     |                               |                               |
| Term loans                           | 225,967                       | 201,342                       |
| Hire purchase payables               | 17,518                        | 18,514                        |
|                                      | <u>243,485</u>                | <u>219,856</u>                |
| <b>Total Borrowings</b>              | <u>304,643</u>                | <u>283,411</u>                |

(b) Foreign currency borrowings included in the above are as follows:

|                   | As at 30/11/2018            |                          | As at 31/05/2018            |                          |
|-------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
|                   | Foreign<br>Currency<br>'000 | RM<br>Equivalent<br>'000 | Foreign<br>Currency<br>'000 | RM<br>Equivalent<br>'000 |
| US Dollar         | 1,586                       | 6,665                    | 1,878                       | 7,494                    |
| Indonesian Rupiah | 154,742,104                 | 45,339                   | 154,742,104                 | 44,255                   |
|                   |                             | <u>52,004</u>            |                             | <u>51,749</u>            |

Bank borrowings for the current year to date increased to RM304.64 million as compared to RM283.41 million at the beginning of the financial year. This was mainly to finance the on-going construction and development projects.



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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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 January 2019, 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 30/11/2018 | 3 Months Ended 30/11/2017 | 6 Months Ended 30/11/2018 | 6 Months Ended 30/11/2017 |
| Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000) |                           |                           |                           |                           |
| - from continuing operations  | 17,029                    | 28,371                    | 33,570                    | 46,864                    |
| - from discontinued operation   | -                         | -                         | -                         | (155)                     |
|   | <u>17,029</u>             | <u>28,371</u>             | <u>33,570</u>             | <u>46,709</u>             |
| Weighted average number of ordinary shares in issue ('000)                        | 661,721                   | 657,464                   | 661,721                   | 657,464                   |
| Basic earnings per share (sen)  |                           |                           |                           |                           |
| - from continuing operations  | 2.57                      | 4.32                      | 5.07                      | 7.13                      |
| - from discontinued operation   | -                         | -                         | -                         | (0.02)                    |
|   | <u>2.57</u>               | <u>4.32</u>               | <u>5.07</u>               | <u>7.10</u>               |



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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 30/11/2018 | 3 Months Ended 30/11/2017 | 6 Months Ended 30/11/2018 | 6 Months Ended 30/11/2017 |
| Net profit attributable to ordinary equity holders of the Company (RM'000) |                           |                           |                           |                           |
| - from continuing operations   | 17,029                    | 28,371                    | 33,570                    | 46,864                    |
| - from discontinued operation  | -                         | -                         | -                         | (155)                     |
|  | <u>17,029</u>             | <u>28,371</u>             | <u>33,570</u>             | <u>46,709</u>             |
| Weighted average number of ordinary shares in issue ('000)                 | 661,721                   | 657,464                   | 661,721                   | 657,464                   |
| Effect of dilution:  |                           |                           |                           |                           |
| Exercise of warrants   | -                         | 1,710                     | -                         | 1,710                     |
| Employee share option  | -                         | 11,441                    | -                         | 11,441                    |
| Adjusted weighted average number of ordinary shares ('000)                 | <u>661,721</u>            | <u>670,615</u>            | <u>661,721</u>            | <u>670,615</u>            |
| Diluted earnings per share (sen)   |                           |                           |                           |                           |
| - from continuing operations   | 2.57                      | 4.23                      | 5.07                      | 6.99                      |
| - from discontinued operation  | -                         | -                         | -                         | (0.02)                    |
|  | <u>2.57</u>               | <u>4.23</u>               | <u>5.07</u>               | <u>6.97</u>               |

For the current quarter, the unexercised warrants and employee share option have no dilutive effect on the earnings per share as the exercise price is higher than the market price per ordinary share.



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### INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 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:

|   | <b>3 Months<br/>Ended<br/>30/11/2018<br/>RM'000</b> | <b>6 Months<br/>Ended<br/>30/11/2018<br/>RM'000</b> |
|---|---|---|
| Depreciation of property, plant and equipment | 3,869   | 7,980   |
| Finance costs                                 | 260   | 823   |
| Rental of land and premises                   | 344   | 721   |
|   | <hr/>   | <hr/>   |

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

|   | <b>3 Months<br/>Ended<br/>30/11/2018<br/>RM'000</b> | <b>6 Months<br/>Ended<br/>30/11/2018<br/>RM'000</b> |
|---|---|---|
| Depreciation                                      | 1,460   | 3,005   |
| Finance costs                                     | 566   | 993   |
| Gain on disposal of property, plant and equipment | 22  | (1,031)   |
| Income received from short term funds             | (683)   | (1,248)   |
| Interest income                                   | (1,226)   | (2,212)   |
| Property, plant and equipment written off         | 19  | 40  |
| Net unrealised gain on foreign exchange           | (1,616)   | (626)   |
|   | <hr/>   | <hr/>   |

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.