



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2015**

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 30/11/2015 RM'000	3 Months Ended 30/11/2014 RM'000	6 Months Ended 30/11/2015 RM'000	6 Months Ended 30/11/2014 RM'000
Revenue	101,980	114,596	251,362	247,954
Cost of sales	(69,829)	(93,492)	(186,856)	(201,924)
Gross profit	32,151	21,104	64,506	46,030
Other income	3,178	2,711	6,845	4,719
Administrative expenses	(4,440)	(3,357)	(9,390)	(8,085)
Depreciation and amortisation	(1,505)	(1,162)	(2,957)	(2,526)
Operating expenses	(3,205)	(5,542)	(6,289)	(12,411)
Other expenses	(33)	(509)	(113)	(1,252)
Finance costs	(650)	(757)	(1,228)	(1,279)
Profit before tax	25,496	12,488	51,374	25,196
Income tax expense	(7,833)	(3,799)	(12,954)	(6,865)
Net profit for the financial period	17,663	8,689	38,420	18,331
Other comprehensive income:				
Foreign currency translation	1,155	652	4,675	265
Total comprehensive income for the financial period	18,818	9,341	43,095	18,596
Net profit attributable to:				
Equity holders of the Company	17,721	8,511	38,583	18,048
Non-controlling interests	(58)	178	(163)	283
	17,663	8,689	38,420	18,331
Total comprehensive income attributable to:				
Equity holders of the Company	18,767	9,110	42,814	18,266
Non-controlling interests	51	231	281	330
	18,818	9,341	43,095	18,596
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	7.93	3.93	17.26	8.34
Diluted (sen)	N/A	3.78	N/A	8.02

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



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2015

	UNAUDITED	AUDITED
	As At 30/11/2015 RM'000	As At 31/05/2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	82,601	93,062
Biological assets	12,470	12,446
Investment properties	17,222	19,102
Concession assets	55,269	46,052
Other investment	100	100
Goodwill	17,924	16,717
Deferred tax assets	3,252	4,202
Non-trade receivables	665	612
	<u>189,503</u>	<u>192,293</u>
Current assets		
Property development costs	331,938	200,048
Amount due from customers on contracts	9,941	13,287
Inventories	3,480	3,283
Trade and other receivables	128,932	178,275
Tax recoverable	14,240	6,255
Short term funds	56,316	-
Fixed deposits placed with licensed banks	123,117	122,415
Cash and bank balances	82,323	110,247
	<u>750,287</u>	<u>633,810</u>
TOTAL ASSETS	<u>939,790</u>	<u>826,103</u>
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Company		
Share Capital	235,112	216,369
Reserves	195,787	164,987
	<u>430,899</u>	<u>381,356</u>
Non-controlling interests	7,268	7,030
Total equity	<u>438,167</u>	<u>388,386</u>



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2015 (Continued)

	UNAUDITED	AUDITED
	As At 30/11/2015 RM'000	As At 31/05/2015 RM'000
Non-current liabilities		
Non-trade payables	336	2,094
Bank borrowings	181,124	91,766
Deferred tax liabilities	10,226	9,004
Defined benefit obligations	1,339	1,229
	<u>193,025</u>	<u>104,093</u>
Current liabilities		
Trade and other payables	151,332	159,118
Amount due to customers on contracts	78,413	68,363
Bank borrowings	64,583	101,246
Current tax liabilities	14,270	4,897
	<u>308,598</u>	<u>333,624</u>
Total liabilities	<u>501,623</u>	<u>437,717</u>
TOTAL EQUITY AND LIABILITIES	<u>939,790</u>	<u>826,103</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.83	1.76

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



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2015

	Attributable to Equity Holders of the Company						Total	Non-controlling Interest	Total Equity
	Non-Distributable			Distributable					
	Share Capital	Warrant Reserve	Capital Reserve	Share Premium	Foreign Exchange Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
(UNAUDITED)									
At 1 June 2015	216,369	6,173	1,347	12,736	(4,614)	149,345	381,356	7,030	388,386
Total comprehensive income	-	-	-	-	4,231	38,583	42,814	281	43,095
Dividends on ordinary shares	-	-	-	-	-	(11,756)	(11,756)	-	(11,756)
Striking off subsidiary companies	-	-	-	-	16	(16)	-	-	-
Issue of shares upon exercise of warrants	18,743	(5,885)	-	5,885	-	-	18,743	-	18,743
Transfer to retained earning upon expiry of warrants	-	(288)	-	-	-	288	-	-	-
Investment in subsidiaries	-	-	-	-	-	(258)	(258)	(43)	(301)
At 30 November 2015	235,112	-	1,347	18,621	(367)	176,186	430,899	7,268	438,167



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2015 (Continued)

	Attributable to Equity Holders of the Company						Total	Non-controlling Interest	Total Equity
	Non-Distributable			Distributable					
	Share Capital	Warrant Reserve	Capital Reserve	Share Premium	Foreign Exchange Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
(AUDITED)									
At 1 June 2014	196,691	6,176	1,347	-	(4,870)	98,793	298,137	3,194	301,331
Total comprehensive income	-	-	-	-	267	59,620	59,887	1,188	61,075
Issuance of ordinary share capital	19,670	-	-	12,736	-	-	32,406	-	32,406
Dividends on ordinary shares	-	-	-	-	-	(8,654)	(8,654)	-	(8,654)
Issue of shares upon exercise of warrants	8	(3)	-	-	-	-	5	-	5
Changes in ownership interest in subsidiary (effects of change in stake)	-	-	-	-	-	-	-	(415)	(415)
Investment in subsidiaries	-	-	-	-	(11)	(414)	(425)	3,063	2,638
At 31 May 2015	216,369	6,173	1,347	12,736	(4,614)	149,345	381,356	7,030	388,386

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



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2015**

	UNAUDITED	UNAUDITED
	6 Months Ended 30/11/2015 RM'000	6 Months Ended 30/11/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	51,374	25,196
Adjustments for:		
Amortisation of biological asset	225	182
Depreciation of concession assets	1,097	1,102
Depreciation of investment properties	126	86
Depreciation of property, plant and equipment	11,694	7,091
Finance costs	3,201	3,142
Gain on bargain purchase	-	(206)
Gain on disposal of investment property	(679)	-
Gain on disposal of other investment	-	(5)
Gain on disposal of property, plant and equipment	(560)	(596)
Impairment loss on goodwill	-	2
Impairment loss on tax recoverable	-	307
Increase/(Decrease) in liability for defined benefit obligations	110	(322)
Interest income	(3,057)	(2,106)
Property, plant and equipment written off	117	2
Unrealised (gain)/loss on foreign exchange	(1,295)	826
Recovery from provision of doubtful debts	-	(273)
Operating profit before working capital changes	62,353	34,428
Changes in working capital:		
Property development costs	(131,889)	(38,342)
Biological assets	(249)	(531)
Amount due from/(to) customers on contracts	13,396	73,398
Inventories	(197)	(4,363)
Receivables	49,289	2,886
Payables	(21,301)	(13,427)
Income tax paid	(9,509)	(10,357)
Net Operating Cash Flows	(38,107)	43,692



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2015 (Continued)

	UNAUDITED	UNAUDITED
	6 Months Ended 30/11/2015 RM'000	6 Months Ended 30/11/2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,108)	(8,126)
Purchase of concession assets	(7,513)	(409)
Investment in subsidiaries	(301)	(5,076)
Proceeds from disposal of investment property	2,434	-
Proceeds from disposal of other investment	-	43
Proceeds from disposal of property, plant and equipment	1,402	680
Interest received	3,057	2,106
Net Investing Cash Flows	(3,029)	(10,782)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	88,496	67,829
Finance costs	(3,201)	(3,142)
Proceeds from issue of ordinary share capital	-	32,406
Proceeds from issue of shares upon exercise of warrants	18,743	6
Repayment of bank borrowings	(32,344)	(37,566)
Fixed deposits pledged as security	(1,554)	(9,938)
Repayment of hire purchase liabilities	(6,090)	(3,472)
Net Financing Cash Flows	64,050	46,123
Net change in cash and cash equivalents	22,914	79,033
Effect of exchange rate changes	1,635	(835)
Cash and cash equivalents at the beginning of the financial period	170,098	76,154
Cash and cash equivalents at the end of the financial period	194,647	154,352
Analysis of Cash and Cash Equivalents		
Cash and bank balances	82,323	76,874
Short term funds	56,316	-
Fixed deposits placed with licensed banks	123,117	151,038
Bank overdrafts	(7,453)	(327)
	254,303	227,585
Less: Fixed deposits pledged as security	(59,656)	(73,233)
Total	194,647	154,352

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



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2015

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

A1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134 - Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 May 2015. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2015.

A2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted by the Group in the quarterly financial statements are consistent with those adopted in the financial statements for financial year ended 31 May 2015, except for the following amendments/improvements to FRSs:

Amendments/Improvements to FRSs

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

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

FRSs and Amendments to FRSs issued but not yet effective

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



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INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2015

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

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

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

Standard	Title	Effective Date
FRS 14	Regulatory Deferral Accounts	1 January 2016
FRS 101	Presentation of Financial Statements [Disclosure Initiative]	1 January 2016
FRS 116	Property, Plant and Equipment [Clarification of Acceptable Methods of Depreciation and Amortisation]	1 January 2016
FRS 119	Employee Benefits [Annual Improvements to FRSs 2012-2014 Cycle]	1 January 2016
FRS 127	Separate Financial Statements [Equity Method in Separate Financial Statements]	1 January 2016
FRS 128	Investment in Associates and Joint Ventures [Sale or Contribution of Assets between an Investor and its Associate or Joint Venture]	1 January 2016
FRS 128	Investment in Associates and Joint Ventures [Investment Entities: Applying the Consolidation Exception]	1 January 2016
FRS 134	Interim Financial Reporting [Annual Improvements to FRSs 2010-2012 Cycle]	1 January 2016
FRS 138	Intangible Assets [Clarification of Acceptable Methods of Depreciation and Amortisation]	1 January 2016

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

Malaysian Financial Reporting Standards ("MFRSs")

Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein called "Transitioning Entities").

As announced by MASB on 22 July 2015, the Transitioning Entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

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

A3. AUDIT REPORT

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



GADANG HOLDINGS BERHAD
(Company No. 278114-K)

INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2015

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

A4. SEASONAL OR CYCLICAL FACTORS

The operations of the Group were not significantly affected by any seasonal or cyclical factors during the financial period under review.

A5. UNUSUAL SIGNIFICANT ITEMS

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

A6. CHANGES IN ESTIMATES

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

A7. DEBT AND EQUITY SECURITIES

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review, except for the issuance of 17,005,335 new ordinary shares of RM1.00 each pursuant to the exercise of Warrants 2010/2015 at the exercise price of RM1.00 per share. The Warrants 2010/2015 expired on 29 September 2015 and the remaining unexercised Warrants 2010/2015 of 917,479 have lapsed.

A8. DIVIDEND PAID

There was no payment of dividend in the current quarter.

At the Company's Annual General Meeting held on 19 November 2015, the shareholders of the Company approved a first and final single tier dividend of 5 sen per share in respect of the financial year ended 31 May 2015. The Company paid this first and final dividend on 23 December 2015.

A9. SEGMENTAL REPORTING

6 months ended 30 November 2015 (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
30 November 2015						
Revenue	177,861	62,061	10,514	-	926	251,362
Results						
Segment results	28,581	23,009	2,267	(469)	(786)	52,602
Finance costs	(338)	(652)	(228)	-	(10)	(1,228)
Profit /(Loss) before tax	28,243	22,357	2,039	(469)	(796)	51,374
Income tax expense						(12,954)
Profit for the current period						38,420



GADANG HOLDINGS BERHAD
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INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2015

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

A9. SEGMENTAL REPORTING (Continued)

6 months ended 30 November 2014 (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
30 November 2014						
Revenue	197,292	42,455	7,615	-	592	247,954
Results						
Segment results	17,549	10,997	1,615	(2,740)	(946)	26,475
Finance costs	(474)	(753)	(40)	-	(12)	(1,279)
Profit/(Loss) before tax	17,075	10,244	1,575	(2,740)	(958)	25,196
Income tax expense						(6,865)
Profit for the current period						18,331

A10. CARRYING AMOUNT OF REVALUED ASSETS

The valuations of property, plant and equipment and concession assets have been brought forward without amendment from the audited financial statements for the financial year ended 31 May 2015.

A11. SIGNIFICANT SUBSEQUENT EVENT

On 11 December 2015, the Company's wholly-owned subsidiary, Gadang Engineering (M) Sdn Bhd had been awarded by PRPC Utilities and Facilities Sdn. Bhd., a subsidiary under the PETRONAS Group, to undertake a project known as "Utilities, Interconnecting, Offsite (UIO) Facilities: Procurement, Construction and Commissioning (PCC) of Civil & Infrastructure Works at Storm Water East Area (Package 14-0402)" for a total contract sum of RM185 million.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 30 November 2015.

A13. CHANGES IN CONTINGENT LIABILITIES

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

	RM'000
As at 31 August 2015	378,231
Increase during the period	78,179
As at 30 November 2015	456,410



GADANG HOLDINGS BERHAD
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INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2015

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

A14. CAPITAL COMMITMENTS

	As At 30/11/2015 RM'000
Approved and not contracted for - Oil palm plantations development	2,102
	<hr/> 2,102 <hr/>



GADANG HOLDINGS BERHAD
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INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2015

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

B1. OPERATING SEGMENTS REVIEW

REVIEW OF PERFORMANCE AGAINST PREVIOUS YEAR CORRESPONDING PERIOD

During the current quarter, the Group posted revenue of RM101.98 million as compared to RM114.60 million in the corresponding quarter of the preceding year. The Group's profit before tax increased to RM25.50 million as compared to RM12.49 million in the corresponding quarter of the preceding year.

For the current year to date, revenue increased marginally to RM251.36 million. Profit before tax increased by 103.90% to RM51.37 million. The increase in profit before tax was mainly due to improved profit margins from construction activities and higher contributions from property division.

Further analysis of the divisional performances is as follows:

UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
3 Months Ended 30/11/2015 RM'000	3 Months Ended 30/11/2014 RM'000	6 Months Ended 30/11/2015 RM'000	6 Months Ended 30/11/2014 RM'000

REVENUE

Construction Division	72,118	88,229	177,861	197,292
Property Division	23,906	21,918	62,061	42,455
Utility Division	5,490	4,138	10,514	7,615
Plantation Division	466	311	926	592
Investment Holding	-	-	-	-
	101,980	114,596	251,362	247,954

PROFIT BEFORE TAX

Construction Division	19,943	6,758	28,243	17,075
Property Division	5,707	6,538	22,357	10,244
Utility Division	974	1,041	2,039	1,575
Plantation Division	(404)	(421)	(796)	(958)
Investment Holding	(724)	(1,428)	(469)	(2,740)
	25,496	12,488	51,374	25,196

Construction Division

For the current quarter, revenue decreased by 18.26% to RM72.12 million as compared to RM88.23 million in the corresponding quarter of the preceding year. Profit before tax increased to RM19.94 million as compared to RM6.76 million in the corresponding quarter of the preceding year.

Revenue for the current year to date decreased by 9.85% to RM177.86 million as compared to RM197.29 million recorded in the preceding year to date. However, profit before tax increased to RM28.24 million in the current year to date. This was mainly due to improved profit margins achieved for various projects.



GADANG HOLDINGS BERHAD
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INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2015

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

B1. OPERATING SEGMENTS REVIEW (Continued)

Property Division

For the current quarter, revenue increased to RM23.91 million as compared to RM21.92 million in the corresponding quarter of the preceding year. Profit before tax decreased by 12.71% to RM5.71 million as compared to RM6.54 million in the corresponding quarter of the preceding year.

Revenue for the current year to date increased by 46.18% to RM62.06 million and profit before tax increased from RM10.24 million to RM22.36 million. This was mainly due to higher development progress for various projects.

Utility Division

Revenue for the current quarter and year to date increased to RM5.49 million and RM10.51 million respectively as compared to the corresponding period of the preceding year. This was mainly due to the contribution from the newly acquired subsidiary, PT Dewata Bangun Tirta. In tandem with this, profit before tax for the current year to date increased by 29.46% to RM2.03 million as compared to RM1.58 million in the preceding year to date.

Plantation Division

Revenue for the current quarter and year to date increased to RM0.46 million and RM0.93 million respectively as compared to the corresponding period of the preceding year mainly due to higher harvesting activities.

In line with this, loss before tax for the current quarter and year to date decreased to RM0.40 million and RM0.80 million respectively as compared to the corresponding period of the preceding year.

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

	UNAUDITED 3 Months Ended 30/11/2015 RM'000	UNAUDITED 3 Months Ended 31/08/2015 RM'000	UNAUDITED 3 Months Ended 30/11/2015 RM'000	UNAUDITED 3 Months Ended 31/08/2015 RM'000
	REVENUE		PROFIT BEFORE TAX	
Construction Division	72,118	105,743	19,943	8,300
Property Division	23,906	38,155	5,707	16,650
Utility Division	5,490	5,024	974	1,065
Plantation Division	466	460	(404)	(392)
Investment Holding	-	-	(724)	255
	101,980	149,382	25,496	25,878



GADANG HOLDINGS BERHAD
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INTERIM REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2015

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

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

The Group recorded lower revenue of RM101.98 million for the current quarter as compared to RM149.38 million in the preceding quarter mainly due to lower work progress from existing construction and property activities.

The Group's profit before tax decreased marginally from RM25.88 million in the preceding quarter to RM25.50 million in the current quarter.

B3. BUSINESS PROSPECTS

The Board expects the financial performance of the Group to continue to be strong with the fast-track implementation of the various on-going infrastructure projects awarded to the Construction Division and the progressive billings of project sales by the Property Division.

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

This is not applicable to the Group.

B5. TAXATION

Taxation comprises the following:

	3 Months Ended 30/11/2015 RM'000	6 Months Ended 30/11/2015 RM'000
Income tax expense:		
Malaysian income tax	(6,011)	(9,998)
Foreign income tax	(426)	(807)
Deferred tax	<u>(1,396)</u>	<u>(2,149)</u>
	<u>(7,833)</u>	<u>(12,954)</u>

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



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B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no pending corporate proposals.

B7. UTILISATION OF PROCEEDS

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

Purpose	Proposed utilisation RM'000	Actual utilisation as at 30 November RM'000	Balance unutilised as at 30 November RM'000	Intended timeframe for utilisation from the date of listing
Investments in Utility	27,295	(21,938)	5,357	Within 24 months
Investments in Plantation	5,000	(2,500)	2,500	Within 24 months
Expenses relating to the Private Placement	750	(750)*	-	Within 1 month
	33,045	(25,188)	7,857	

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

B8. GROUP BORROWINGS

The details of the Group borrowings are as follows:

	As at 30/11/2015		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	64,583	-	64,583
Long term borrowings	181,124	-	181,124
	245,707	-	245,707
Currency denominations:			
Ringgit Malaysia	232,002	-	232,002
United States Dollar	13,705	-	13,705
	245,707	-	245,707



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B9. MATERIAL LITIGATION

As at 14 January 2016, being 7 days prior to the date of this report, there has been no material litigation pending of which the value exceeds 5% of the Group's net tangible assets.

B10. DIVIDEND

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

B11. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share has been calculated by dividing the net profit for the financial 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 30/11/2015	3 Months Ended 30/11/2014	6 Months Ended 30/11/2015	6 Months Ended 30/11/2014
Net profit attributable to ordinary equity holders of the Company (RM'000)	17,721	8,511	38,583	18,048
Weighted average number of ordinary shares in issue ('000)	223,578	216,369	223,578	216,369
Basic earnings per share (sen)	<u>7.93</u>	<u>3.93</u>	<u>17.26</u>	<u>8.34</u>



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B11. EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The diluted earnings per share has been calculated by dividing the net profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares that would have been issued upon full conversion of the remaining Warrants 2010/2015.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 30/11/2015	3 Months Ended 30/11/2014	6 Months Ended 30/11/2015	6 Months Ended 30/11/2014
Net profit attributable to ordinary equity holders of the Company (RM'000)	N/A	8,511	N/A	18,048
Weighted average number of ordinary shares in issue ('000)	N/A	216,369	N/A	216,369
Effect of dilution: Exercise of warrants	N/A	8,703	N/A	8,703
Adjusted weighted average number of ordinary shares ('000)	N/A	225,072	N/A	225,072
Basic earnings per share (sen)	N/A	3.78	N/A	8.02

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

B12. DISCLOSURE OF REALISED AND UNREALISED PROFITS

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

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

The breakdown of the retained profits of the Group as at 30 November 2015, into realised and unrealised profits, pursuant to the directive, is as follows:

	As at 30/11/2015 RM'000	As at 30/11/2014 RM'000
Total retained profits of the Group		
- Realised	181,857	118,069
- Unrealised	(5,671)	(9,882)
Total Group's retained profits as per consolidated account	<u>176,186</u>	<u>108,187</u>



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B12. DISCLOSURE OF REALISED AND UNREALISED PROFITS (Continued)

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

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

B13. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	3 Months Ended 31/11/2015 RM'000	6 Months Ended 31/11/2015 RM'000
Depreciation and amortisation	6,576	13,142
Finance costs	1,622	3,201
Gain on disposal of investment property	(679)	(679)
Gain on disposal of property, plant and equipment	(217)	(560)
Interest income	(1,780)	(3,057)
Net fair value loss on short term funds	12	12
Property, plant and equipment written off	35	117
Unrealised gain on foreign exchange	(96)	(1,295)

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



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B14. COMPARATIVE FIGURES

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

INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
As restated	As previously reported	As restated	As previously reported
30/11/2014	30/11/2014	30/11/2014	30/11/2014
RM'000	RM'000	RM'000	RM'000

Condensed Consolidated
Statements of Comprehensive
Income (Extract):-

Depreciation and amortisation	(1,162)	-	(2,526)	-
Operating expenses	(5,542)	-	(12,411)	-
Other expenses	(509)	(7,213)	(1,252)	(16,189)

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