GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

	UNAUDITED	UNAUDITED		UNAUDITED	AUDITED	
	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 Months Ended 31/05/2019 RM'000	3 Months Ended 31/05/2018 RM'000 (Restated)	Variance %	12 Months Ended 31/05/2019 RM'000	12 Months Ended 31/05/2018 RM'000 (Restated)	Variance %
Revenue	196,904	183,506	7	699,893	594,771	18
Cost of sales	(175,736)	(128,350)	37	(585,081)	(400,646)	46
Gross profit	21,168	55,156	-62	114,812	194,125	-41
Other income	3,690	4,826	-24	15,168	17,314	-12
Administrative expenses	(7,704)	(7,203)	7	(26,749)	(31,803)	-16
Depreciation	(1,433)	(1,516)	-5	(5,892)	(6,397)	-8
Operating expenses	(5,381)	(4,280)	26	(17,672)	(19,196)	-8
Other expenses	(4,542)	(14,787)	-69	(4,711)	(19,034)	-75
Finance costs	(3,267)	(1,121)	>100	(4,873)	(3,844)	27
Share of results of joint ventures	735	545	35	935	934	0
Profit before tax	3,266	31,620	-90	71,018	132,099	-46
Income tax expense	(6,697)	(8,394)	-20	(27,430)	(35,547)	-23
Net profit/(loss) from continuing operations	(3,431)	23,226	>100	43,588	96,552	-55
Discontinued operation:						
Loss after tax from discontinued operation	-	-	-	-	(156)	-
Net profit/(loss) for the financial year	(3,431)	23,226	>100	43,588	96,396	-55
Other comprehensive income:						
Actuarial gain/(loss) on defined benefit obligation	256	(371)	>100	256	(371)	>100
Foreign currency translation	1,150	283	>100	1,869	(6,507)	>100
Total comprehensive income for the financial year	(2,025)	23,138	>100	45,713	89,518	-49
Net profit/(loss) attributable to:						
Equity holders of the Company	(3,385)	23,314	>100	43,486	96,383	-55
Non-controlling interests	(46)	(88)	-48	102	13	>100
	(3,431)	23,226	>100	43,588	96,396	-55
Total comprehensive income attributable to:						
Equity holders of the Company	(2,044)	23,209	>100	45,506	89,957	-49
Non-controlling interests	19	(71)	-127	207	(439)	>100
	(2,025)	23,138	>100	45,713	89,518	-49

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2019 (Continued)

	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/05/2019 RM'000	3 Months Ended 31/05/2018 RM'000 (Restated)	12 Months Ended 31/05/2019 RM'000	12 Months Ended 31/05/2018 RM'000 (Restated)
Basic earnings per share (sen)				
- continuing operations	(0.51)	3.54	6.57	14.65
- discontinued operation	-	-	-	(0.02)
	(0.51)	3.54	6.57	14.63
Diluted earnings per share (sen)				
- continuing operations	(0.51)	3.40	6.57	14.08
- discontinued operation	-	-	-	(0.02)
	(0.51)	3.40	6.57	14.05

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 31 MAY 2019

	Unaudited As At 31/05/2019 RM'000	Audited As At 31/05/2018 RM'000 (Restated)	Audited As At 01/06/2017 RM'000 (Restated)
ASSETS			
Non-current assets			
Concession assets	126,426	117,156	91,619
Property, plant and equipment	52,955	73,783	63,646
Investment properties	76,273	76,845	15,984
Land held for property development	3,905	3,897	3,889
Investment in joint ventures	2,416	1,481	37
Non-trade receivables	2,662	2,427	2,593
Other investments	13,300	100	100
Goodwill	17,412	17,101	18,430
Deferred tax assets	19,575	16,355	6,245
	314,924	309,145	202,543
Current assets			
Inventories	66,039	69,806	980
Property development costs	792,499	834,281	731,019
Contract costs	993	1,210	285
Trade and other receivables	194,333	139,468	126,320
Contract assets	200,400	65,168	81,721
Current tax assets	6,439	5,424	6,632
Short term funds	1,855	54,368	59,435
Fixed deposits placed with licensed banks	117,766	92,542	87,909
Cash and bank balances	97,245	131,017	114,572
	1,477,569	1,393,284	1,208,873
Assets classified as held for sale	-	-	15,521
TOTAL ASSETS	1,792,493	1,702,429	1,426,937

GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2019 (Continued)

	Unaudited As At 31/05/2019 RM'000	Audited As At 31/05/2018 RM'000	Audited As At 01/06/2017 RM'000
EQUITY AND LIABILITIES			
Equity attributable to Equity Holders of the Company			
Share Capital	338,380	338,380	331,678
Reserves	392,884	366,431	291,943
	731,264	704,811	623,621
Non-controlling interests	4,531	4,324	8,003
Total equity	735,795	709,135	631,624
Non-current liabilities			
Bank borrowings	208,794	219,856	143,819
Deferred tax liabilities	4,284	4,773	6,449
Defined benefit obligations	2,573	2,508	2,039
Non-trade payables	197,372	272,666	243,554
	413,023	499,803	395,861
Current liabilities			
Contract liabilities	42,843	33,584	65,739
Trade and other payables	442,667	392,038	280,271
Bank borrowings	151,342	63,555	48,771
Current tax liabilities	6,823	4,314	4,150
	643,675	493,491	398,931
Liabilities classified as held for sale	-	-	521
Total liabilities	1,056,698	993,294	795,313
TOTAL EQUITY AND LIABILITIES	1,792,493	1,702,429	1,426,937
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.11	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 YEAR ENDED 31 MAY 2019

	Share Capital	Share Option Reserves	Capital Reserves	Foreign Exchange Translation Reserves	Retained Profits	Total	Non-controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(UNAUDITED)								
At 1 June 2018								
As previously reported	338,380	3,721	1,347	(4,283)	365,719	**704,884**	4,324	**709,208**
Effects of adoption of MFRS	-	-	-	-	(73)	**(73)**	-	**(73)**
As restated	338,380	3,721	1,347	(4,283)	365,646	**704,811**	4,324	**709,135**
Total comprehensive income	-	-	-	1,764	43,486	**45,250**	207	**45,457**
Actuarial gain/(loss) on defined benefit obligation	-	-	-	-	256	**256**	-	**256**
Dividend on ordinary shares	-	-	-	-	(19,852)	**(19,852)**	-	**(19,852)**
Acquisition of a subsidiary	-	-	-	-	(6)	**(6)**	-	**(6)**
Employees share option lapsed	-	(72)	-	-	72	**-**	-	**-**
Recognition of share option expenses	-	805	-	-	-	**805**	-	**805**
At 31 May 2019	338,380	4,454	1,347	(2,519)	389,602	731,264	4,531	735,795



GADANG HOLDINGS BERHAD

(Company No. 278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MAY 2019 (Continued)

	Share Capital	Share Option Reserves	Capital Reserves	Foreign Exchange Translation Reserves	Retained Profits	Total	Non-controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(AUDITED)								
At 1 June 2017								
As previously reported	331,678	743	1,347	1,772	287,628	**623,168**	8,003	**631,171**
Effects of adoption of MFRS	-	-	-	-	453	**453**	-	**453**
As restated	331,678	743	1,347	1,772	288,081	**623,621**	8,003	**631,624**
Total comprehensive income	-	-	-	(6,055)	96,383	**90,328**	(439)	**89,889**
Actuarial gain/(loss) on defined benefit obligation	-	-	-	-	(371)	**(371)**	-	**(371)**
Dividend on ordinary shares	-	-	-	-	(19,758)	**(19,758)**	-	**(19,758)**
Issuance of shares upon exercise of employees share option	5,823	-	-	-	-	**5,823**	-	**5,823**
Acquisition of a subsidiary	-	-	-	-	-	**-**	46	**46**
Changes in ownership interest in a subsidiary (effects of change in stake)	-	-	-	-	785	**785**	(3,286)	**(2,501)**
Recognition of share option expenses	-	4,383	-	-	-	**4,383**	-	**4,383**
Employees share option lapsed	-	(526)	-	-	526	**-**	-	**-**
Transfer to share capital for employees share option exercised	879	(879)	-	-	-	**-**	-	**-**
At 31 May 2018	338,380	3,721	1,347	(4,283)	365,646	704,811	4,324	709,135

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 YEAR ENDED 31 MAY 2019

	UNAUDITED	AUDITED
	12 Months Ended 31/05/2019 RM'000	12 Months Ended 31/05/2018 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax:		
- continuing operations	71,018	132,099
- discontinued operation	-	(156)
Adjustments for:		
Accretion of interest on:		
- amount owing to a director	155	(16)
- trade and other receivables	(57)	(2,171)
- trade and other payables	-	3,075
Bad debts recovered	-	(614)
Bad debts written off	-	59
Concession assets written off	-	7
Increase in liability for defined benefit obligations	385	44
Depreciation of:		
- concession assets	2,514	2,716
- investment properties	876	732
- property, plant and equipment	18,018	19,620
Fair value loss on investment in quoted shares	4,800	-
Finance costs	6,741	5,666
Gain on disposal of property, plant and equipment	(2,001)	(904)
Impairment loss on:		
- investment properties	-	1,197
- inventories	-	2,540
- trade and other receivables	208	6,750
Income received from short term funds	(1,885)	(2,261)
Interest income	(4,690)	(5,244)
Loss on disposal of concession assets	-	97
Loss on disposal of a subsidiary	-	1,304
Net unrealised (gain)/loss on foreign exchange	(838)	3,941
Property, plant and equipment written off	169	46
Reversal of impairment losses on non-current assets held for sale	-	(1,211)
Share of results of joint ventures	(935)	(934)
Share option expenses	805	4,383
Waiver of liability	(6)	(36)
Operating profit before working capital changes	95,277	170,729

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2019 (Continued)

	UNAUDITED	AUDITED
	12 Months Ended 31/05/2019 RM'000	12 Months Ended 31/05/2018 RM'000 (Restated)
Changes in working capital:		
Contract assets/(liabilities)	(125,973)	(15,603)
Contract costs	217	(925)
Inventories	3,767	(71,365)
Property development costs	41,774	(103,270)
Payables	(24,821)	137,726
Receivables	(55,250)	(10,490)
Cash generated from operations	(65,009)	106,802
Net income tax paid	(29,681)	(43,950)
Net Operating Cash Flows	(94,690)	62,852
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional equity interest in a subsidiary from non-controlling interest	-	(2,500)
Acquisition of:		
- property, plant and equipment	(1,604)	(4,806)
- concession assets	(8,908)	(39,157)
- investment properties	(304)	(56,040)
Additional investment in an existing joint venture	-	(509)
Investment in a subsidiary	-	60
Investment in quoted shares	(18,000)	-
Proceeds from disposal of:		
- concession assets	-	1,587
- assets held for sale	-	1,498
- property, plant and equipment	7,826	1,635
Income received from short term funds	1,885	2,261
Interest income	4,690	5,244
Net Investing Cash Flows	(14,415)	(90,727)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	116,175	107,754
Finance costs	(6,741)	(5,666)
Proceeds from issue of ordinary share capital	-	5,823
Repayment of:		
- bank borrowings	(44,033)	(31,991)
- hire purchase liabilities	(11,077)	(7,188)
Fixed deposits pledged as security values	(11,236)	(7,239)
Dividend paid	(19,852)	(19,758)
Net Financing Cash Flows	23,236	41,735

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2019 (Continued)

	UNAUDITED	AUDITED
	12 Months Ended 31/05/2019 RM'000	12 Months Ended 31/05/2018 RM'000 (Restated)
Net change in cash and cash equivalents	(85,869)	13,860
Effect of exchange rate changes	(1,010)	(6,017)
Cash and cash equivalents at the beginning of the financial year	209,064	201,221
Cash and cash equivalents at the end of the financial year	122,185	209,064
Analysis of Cash and Cash Equivalents		
Cash and bank balances	97,245	131,017
Short term funds	1,855	54,368
Fixed deposits placed with licensed banks	117,766	92,542
Bank overdrafts	(22,903)	(8,326)
	193,963	269,601
Less: Fixed deposits pledged as security values	(71,778)	(60,537)
Total	122,185	209,064

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.

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

A1. BASIS OF PREPARATION

The unaudited interim financial report 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 unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2018. The 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. In presenting its first MFRS financial statements, the Group is required to restate the comparative financial statements to amounts reflecting the application of the MFRS framework as if these policies had always been in effect.

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:

Standard	**Title**
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	• Amendments to MFRS 1 [Deletion of Short-term Exemptions for First-time Adopters] • Amendments to MFRS 128 [Measuring an Associate or Joint Venture at Fair Value]
IC Interpretations	
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.

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 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.

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.

The financial effects are presented in Note A2(iii) and (iv) below.

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

(iii) Reconciliation of Financial Position

	As at 1 June 2017		
	As previously reported FRSs	Transition Effects	As restated MFRSs
ASSETS			
Non-current assets			
Concession assets	91,619	-	91,619
Property, plant and equipment	63,646	-	63,646
Investment properties	15,984	-	15,984
Land held for property development	3,889	-	3,889
Investment in joint ventures	37	-	37
Non-trade receivables	2,593	-	2,593
Other investment	100	-	100
Goodwill	18,430	-	18,430
Deferred tax assets	6,245	-	6,245
	202,543	-	202,543
Current assets			
Inventories	980	-	980
Property development costs	731,019	-	731,019
Contract costs	-	285	285
Trade and other receivables	183,178	(56,858)	126,320
Amounts owing by contract customers	24,695	(24,695)	-
Contract assets	-	81,721	81,721
Current tax assets	6,632	-	6,632
Short term funds	59,435	-	59,435
Fixed deposits placed with licensed banks	87,909	-	87,909
Cash and bank balances	114,572	-	114,572
	1,208,420	453	1,208,873
Assets classified as held for sale	15,521	-	15,521
TOTAL ASSETS	1,426,484	453	1,426,937

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

(iii) Reconciliation of Financial Position (Continued)

	As at 1 June 2017		
	As previously reported FRSs	Transition Effects	As restated MFRSs
EQUITY AND LIABILITIES			
Equity attributable to Equity Holders of the Company			
Share Capital	331,678	-	331,678
Reserves	291,490	453	291,943
	623,168	453	623,621
Non-controlling interests	8,003	-	8,003
Total equity	631,171	453	631,624
Non-current liabilities			
Bank borrowings	143,819	-	143,819
Deferred tax liabilities	6,449	-	6,449
Defined benefit obligations	2,039	-	2,039
Non-trade payables	243,554	-	243,554
	395,861	-	395,861
Current liabilities			
Amounts owing to contract customers	18,843	(18,843)	-
Contract liabilities	-	65,739	65,739
Trade and other payables	327,167	(46,896)	280,271
Bank borrowings	48,771	-	48,771
Current tax liabilities	4,150	-	4,150
	398,931	-	398,931
Liabilities classified as held for sale	521	-	521
Total liabilities	795,313	-	795,313
TOTAL EQUITY AND LIABILITIES	1,426,484	453	1,426,937

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

(iii) Reconciliation of Financial Position (Continued)

	As at 31 May 2018		
	As previously reported FRSs	Transition Effects	As restated MFRSs
ASSETS			
Non-current assets			
Concession assets	117,156	-	117,156
Property, plant and equipment	73,783	-	73,783
Investment properties	78,849	(2,004)	76,845
Land held for property development	3,897	-	3,897
Investment in joint ventures	1,481	-	1,481
Non-trade receivables	2,427	-	2,427
Other investment	100	-	100
Goodwill	17,101	-	17,101
Deferred tax assets	16,355	-	16,355
	311,149	(2,004)	309,145
Current assets			
Inventories	69,806	-	69,806
Property development costs	834,281	-	834,281
Contract costs	-	1,210	1,210
Trade and other receivables	155,030	(15,562)	139,468
Amounts owing by contract customers	48,885	(48,885)	-
Contract assets	-	65,168	65,168
Current tax assets	5,424	-	5,424
Short term funds	54,368	-	54,368
Fixed deposits placed with licensed banks	92,542	-	92,542
Cash and bank balances	131,017	-	131,017
	1,391,353	1,931	1,393,284
Assets classified as held for sale	-	-	-
TOTAL ASSETS	1,702,502	(73)	1,702,429

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

(iii) Reconciliation of Financial Position (Continued)

	As at 31 May 2018		
	As previously reported FRSs	Transition Effects	As restated MFRSs
EQUITY AND LIABILITIES			
Equity attributable to Equity Holders of the Company			
Share Capital	338,380	-	338,380
Reserves	366,504	(73)	366,431
	704,884	(73)	704,811
Non-controlling interests	4,324	-	4,324
Total equity	709,208	(73)	709,135
Non-current liabilities			
Bank borrowings	219,856	-	219,856
Deferred tax liabilities	4,773	-	4,773
Defined benefit obligations	2,508	-	2,508
Non-trade payables	272,666	-	272,666
	499,803	-	499,803
Current liabilities			
Amounts owing to contract customers	4,573	(4,573)	-
Contract liabilities	-	33,584	33,584
Trade and other payables	421,049	(29,011)	392,038
Bank borrowings	63,555	-	63,555
Current tax liabilities	4,314	-	4,314
	493,491	-	493,491
Liabilities classified as held for sale	-	-	-
Total liabilities	993,294	-	993,294
TOTAL EQUITY AND LIABILITIES	1,702,502	(73)	1,702,429

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

(iv) Reconciliation of Profit or Loss and Other Comprehensive Income

	As at 31 May 2018		
	As previously reported FRSs	**Transition Effects**	**As restated MFRSs**
Revenue	596,059	(1,288)	594,771
Cost of sales	(397,904)	(2,742)	(400,646)
Gross profit	198,155	(4,030)	194,125
Other income	17,314	-	17,314
Administrative expenses	(31,803)	-	(31,803)
Depreciation	(6,413)	16	(6,397)
Operating expenses	(24,704)	5,508	(19,196)
Other expenses	(19,034)	-	(19,034)
Finance costs	(1,824)	(2,020)	(3,844)
Share of results of joint ventures	934	-	934
Profit before tax	132,625	(526)	132,099
Income tax expense	(35,547)	-	(35,547)
Net profit from continuing operations	97,078	(526)	96,552
Discontinued operation:			
Loss after tax from discontinued operation	(156)	-	(156)
Net profit for the financial year	96,922	(526)	96,396
Other comprehensive income:			
Actuarial gain/(loss) on defined benefit obligation	(371)	-	(371)
Foreign currency translation	(6,507)	-	(6,507)
Total comprehensive income for the financial year	90,044	(526)	89,518

(iv) Reconciliation of Cash Flows

There are no material differences between the statements of cash flows presented under FRSs and MFRSs.

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 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:-

		No. of options					
Option price (RM)	Date of offer	As at 01/03/2019	Granted	Exercised	Lapsed*	As at 31/05/2019	Exercisable as at 31/05/2019
0.86	16.12.2016	60,085,800	-	-	-	60,085,800	30,680,400
1.03	05.01.2018	13,203,600	-	-	-	13,203,600	6,601,800
		73,289,400	-	-	-	73,289,400	37,282,200

** due to resignation of employees*

There was no conversion of Warrant 2016/2021 for the current quarter under review. The number of outstanding warrants as at 31 May 2019 was 129,254,039.

A8. DIVIDEND PAID

There was no payment of dividend in the current quarter.

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

A9. SEGMENTAL REPORTING

12 months ended 31 May 2019 (Current Financial Year)

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	489,012	187,653	23,228	-	699,893
Results					
Segment results	43,365	39,479	7,509	(15,397)	74,956
Finance costs	(2,752)	(1,717)	(341)	(63)	(4,873)
Share of results of joint ventures	935	-	-	-	935
Profit /(Loss) before tax	41,548	37,762	7,168	(15,460)	71,018
Income tax expense					(27,430)
Profit for the financial year					43,588

12 months ended 31 May 2018 (Previous Financial Year)

	Construction Division RM'000	Property Division RM'000	Utility Division RM'000	Investment Holding RM'000	Consolidated RM'000
(Restated)					
Revenue	378,131	193,826	22,814	-	594,771
Results					
Segment results	83,970	68,217	464	(17,642)	135,009
Finance costs	(2,180)	(1,260)	(404)	-	(3,844)
Share of results of joint ventures	934	-	-	-	934
Profit /(Loss) before tax	82,724	66,957	60	(17,642)	132,099
Income tax expense					(35,547)
Loss after tax from discontinued operation	-	-	-	-	(156)
Profit for the financial year					96,396

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 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, except for the following:-

On 8 May 2019, the Company announced that it proposed to undertake a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company ("Placement Shares").

Bursa Malaysia Securities Berhad had vide its letter dated 14 May 2019, approved the listing of and quotation for up to 82,825,000 new ordinary shares to be issued. On 28 May 2019, the Company announced that the issue price of the Placement Shares had been fixed at RM0.77 per Placement Share. The 66,172,000 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 12 June 2019.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the current quarter under review and year ended 31 May 2019, except for the following:-

(a) On 28 August 2018, the Company's wholly-owned subsidiary, Gadang Land Sdn Bhd acquired 2 ordinary shares, representing 100% of the total issued capital of Special Courtyard Sdn Bhd ("Special Courtyard") for a total cash consideration of RM2. As a result of the acquisition, Special Courtyard became an indirect wholly-owned subsidiary of the Company.

(b) On 7 January 2019, the Company announced that Jauhari Mahir Sdn Bhd, a dormant indirect wholly-owned subsidiary of the Company had been struck off from the register by the Companies Commission of Malaysia pursuant to Section 550 of the Companies Act, 2016.

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.

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

A15. PROVISION OF FINANCIAL ASSISTANCE

Pursuant to paragraph 8.23(1)(ii) of Bursa Malaysia Securities Berhad's Listing Requirements, the financial assistance provided by the Group is as follows:

Advances to sub-contractors

	As At 31/05/2019 RM'000
Non-interest bearing advances	21,394

The financial assistance provided does not have any material effect on the earnings, net assets and liquidity of the Group.

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 RM196.90 million as compared to RM183.51 million in the corresponding quarter of the preceding year. However, the profit before tax decreased to RM3.27 million as compared to RM31.62 million in the corresponding quarter of the preceding year.

For the current year to date, revenue increased to RM699.89 million from RM594.77 million in the preceding year to date. Profit before tax decreased to RM71.02 million from RM132.10 million in the preceding year to date. The lower profit for current quarter and year to date was mainly due to recognition of some variation orders for completed construction projects in the preceding year and the significantly lower profit reported for the Capital City project in the current year.

Administrative expenses and other expenses for the current year to date decreased by RM19.38 million as compared to the preceding year to date. This was mainly due to the following:-

- share option expenses for Employee's Share Option Scheme decreased by RM3.58 million;
- one off impairment cost of RM10.49 million in relation to investment properties, inventories and other receivables in the preceding year; and
- unrealised loss on foreign exchange decreased by RM4.16 million.

Tabulated below is the unaudited various divisional contributions:-

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 Months Ended 31/05/2019 RM'000	3 Months Ended 31/05/2018 RM'000 (Restated)	Variance %	12 Months Ended 31/05/2019 RM'000	12 Months Ended 31/05/2018 RM'000 (Restated)	Variance %
REVENUE						
Continuing operations						
Construction Division	132,832	106,322	25	489,012	378,131	29
Property Division	58,037	71,449	-19	187,653	193,826	-3
Utility Division	6,035	5,735	5	23,228	22,814	2
Investment Holding	-	-	-	-	-	-
	196,904	183,506	7	699,893	594,771	18
Discontinued operation						
Plantation Division	-	-	-	-	-	-

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

B1. OPERATING SEGMENTS REVIEW (Continued)

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 Months Ended 31/05/2019 RM'000	3 Months Ended 31/05/2018 RM'000 (Restated)	Variance %	12 Months Ended 31/05/2019 RM'000	12 Months Ended 31/05/2018 RM'000 (Restated)	Variance %
PROFIT/(LOSS) BEFORE TAX						
Continuing operations						
Construction Division	134	14,350	>100	41,548	82,724	-50
Property Division	9,865	27,144	-64	37,762	66,957	-44
Utility Division	2,170	(1,781)	>100	7,168	60	>100
Investment Holding	(8,903)	(8,093)	10	(15,460)	(17,642)	-12
	3,266	31,620	-90	71,018	132,099	-46
Discontinued operation						
Plantation Division	-	-	-	-	(156)	-

Construction Division

For the current quarter, revenue increased to RM132.83 million as compared to RM106.32 million in the corresponding quarter of the preceding year. The profit before tax decreased to RM0.13 million for the current quarter as compared to profit before tax RM14.35 million in the corresponding quarter of the preceding year. This was mainly due to lower profit margin reported for on-going projects.

Revenue for the current year to date increased to RM489.01 million as compared to RM378.13 million in the preceding year to date. However, profit before tax decreased to RM41.55 million in the current year to date as compared to RM82.72 million, mainly due to higher volume of variation orders recognised in the preceding year.

Property Division

For the current quarter, revenue decreased to RM58.04 million as compared to RM71.45 million in the corresponding quarter of the preceding year. Profit before tax decreased to RM9.87 million as compared to RM27.14 million in the corresponding quarter of the preceding year.

Revenue for the current year to date decreased marginally to RM187.65 million as compared to RM193.83 million in the preceding year to date. However, profit before tax decreased to RM37.76 million as compared to RM66.96 million in the preceding year to date, arising from the significantly lower profit reported for the Capital City project.

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)

Utility Division

For the current quarter, revenue increased marginally to RM6.04 million as compared to RM5.74 million in the corresponding quarter of the preceding year. Profit before tax increased to RM2.17 million as compared to loss before tax RM1.78 million in the corresponding quarter of the preceding year.

Revenue for the current year to date increased to RM23.23 million from RM22.81 million in the preceding year to date. Profit before tax increased to RM7.17 million from RM0.06 million in the preceding year to date, mainly due to lower operating expenses and favourable foreign exchange translation effect in current year.

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

	Current Quarter 31/05/2019 RM'000	Preceding Quarter 28/02/2019 RM'000	Variance %
Revenue	196,904	205,325	-4
Operating profit	7,966	24,506	-67
Profit before interest and tax	6,533	23,052	-72
Profit before tax	3,266	22,438	-85
Profit/(Loss) after tax	(3,431)	13,520	>100
Profit/(Loss) attributable to equity holders of the Company	(3,385)	13,302	>100

The Group's revenue decreased to RM196.90 million in the current quarter as compared to RM205.33 million in the preceding quarter. The Group's profit before tax decreased to RM3.27 million as compared to RM22.44 million reported in the preceding quarter. This was mainly due to the following:-

- lower profit margin attributed by on-going projects;
- fair value loss on investment in quoted shares of RM4.8 million;
- expensed off bank borrowing cost on investment properties of RM2.6 million; and
- expenses incurred for corporate exercise of RM0.70 million.

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

B3. BUSINESS PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MAY 2020

The Group is cautiously optimistic that major construction initiatives such as the revival of the East Coast Rail Line project and the development of Bandar Malaysia infrastructure components will be positive for the Group.

The Construction Division will continue to bid for new contracts to enhance its order book as well as focusing on project execution to ensure timely completion of all on-going projects. As at the reporting date, the Division's existing outstanding order book stands at RM1.24 billion which will be able to sustain its operation for the next 2 years.

The overall weak property market is expected to delay new launches of property development projects in the near term. For the forthcoming FYE 2020, the Property Division, supported by total unbilled sales of RM119.34 million, remains optimistic about the marketing opportunities ahead. We will focus on strengthening branding activities across all marketing platforms to cater to a wider customer segments.

In the utility sector, we have been and will continue to make steady recurring income. The construction of 9MW mini-hydro power plant in Lintau, Sumatera which is expected to be completed in the coming financial year will contribute further recurring income to the Utility Division.

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:

	3 Months Ended 31/05/2019 RM'000	12 Months Ended 31/05/2019 RM'000
Income tax expense:		
Malaysian income tax	(10,810)	(28,853)
Foreign income tax	(313)	(2,332)
Deferred tax	4,426	3,755
	(6,697)	(27,430)

The Group's effective tax rate (excluding the results of joint ventures which is equity accounted net of tax) for the current year to date was higher than the statutory tax rate mainly due to business losses of certain subsidiaries and tax under-provision for prior years.

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

B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

(a) 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.

(b) On 29 March 2019, the Company announced that Achwell Property Sdn Bhd ("APSB"), a wholly-owned subsidiary of the Company had entered into a conditional settlement agreement, put option agreement and call option agreement with Capital City Property Sdn Bhd ("CCPSB") for the proposed variation to the terms of the Joint Venture Agreement between APSB and CCPSB for an integrated development in Bandar Johor Bahru, District of Johor Bahru, State of Johor Darul Takzim ("Proposed Variation").

The Proposed Variation is subject to the fulfillment of the conditions precedent as stipulated in the respective Agreements.

B7. GROUP BORROWINGS

The details of the Group borrowings are as follows:

		As at 31/05/2019 RM'000	As at 31/05/2018 RM'000
(a) (i)	**Short Term Borrowings**		
	Revolving credits	72,700	34,999
	Trust receipt	-	169
	Bank overdraft	22,903	8,326
	Term loans	49,079	9,000
	Hire purchase payables	6,660	11,061
		151,342	63,555
(ii)	**Long Term Borrowings**		
	Term loans	195,528	201,342
	Hire purchase payables	13,266	18,514
		208,794	219,856
	Total Borrowings	360,136	283,411

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 (Continued)

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

	As at 31/05/2019		As at 31/05/2018	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
US Dollar	1,295	5,346	1,878	7,494
Indonesian Rupiah	149,800,340	44,041	154,742,104	44,255
		49,387		51,749

Bank borrowings for the current year to date increased to RM360.14 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.

B8. MATERIAL LITIGATION

As at 17 July 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

The Board has proposed a first and final dividend of 1.2 sen per share in respect of the financial year 2019 for approval of the shareholders at the forthcoming Annual General Meeting. The entitlement date and the payment date of the proposed dividend shall be announced later.

B10. PURCHASE AND SALE OF QUOTED SECURITIES

Investment in quoted securities held by the Group as at 31 May 2019, was as follows:

	As At 31/05/2019 RM'000
Quoted investment in Malaysia at cost	18,000

The quoted investment represents 20,000,000 shares or appropriately 10% equity interest in DWL Resources Berhad. As at 31 May 2019, the market value was RM13,200,000.

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

B11. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share has been calculated by dividing the net profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/05/2019	3 Months Ended 31/05/2018 (Restated)	12 Months Ended 31/05/2019	12 Months Ended 31/05/2018 (Restated)
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)				
- from continuing operations	(3,385)	23,314	43,486	96,539
- from discontinued operation	-	-	-	(156)
	(3,385)	23,314	43,486	96,383
Weighted average number of ordinary shares in issue ('000)	661,721	658,851	661,721	658,851
Basic earnings per share (sen)				
- from continuing operations	(0.51)	3.54	6.57	14.65
- from discontinued operation	-	-	-	(0.02)
	(0.51)	3.54	6.57	14.63

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

B11. EARNINGS PER SHARE (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 31/05/2019	3 Months Ended 31/05/2018 (Restated)	12 Months Ended 31/05/2019	12 Months Ended 31/05/2018 (Restated)
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)				
- from continuing operations	(3,385)	23,314	43,486	96,539
- from discontinued operation	-	-	-	(156)
	(3,385)	23,314	43,486	96,383
Weighted average number of ordinary shares in issue ('000)	661,721	658,851	661,721	658,851
Effect of dilution:				
Exercise of warrants	-	10,767	-	10,767
Employee share option	-	16,205	-	16,205
Adjusted weighted average number of ordinary shares ('000)	661,721	685,823	661,721	685,823
Diluted earnings per share (sen)				
- from continuing operations	(0.51)	3.40	6.57	14.08
- from discontinued operation	-	-	-	(0.02)
	(0.51)	3.40	6.57	14.05

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.

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

B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	3 Months Ended 31/05/2019 RM'000	12 Months Ended 31/05/2019 RM'000
Depreciation of property, plant and equipment	3,678	15,516
Finance costs	528	1,868
Rental of land and premises	341	1,427

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

	3 Months Ended 31/05/2019 RM'000	12 Months Ended 31/05/2019 RM'000
Continuing operations		
Depreciation	1,433	5,892
Accretion of interest on:		
- trade and other receivables	(57)	(57)
- amount owing to a director	155	155
Fair value loss on investment in quoted shares	4,800	4,800
Finance costs	3,267	4,873
Gain on disposal of property, plant and equipment	(945)	(2,001)
Impairment loss on other receivables	208	208
Income received from short term funds	(288)	(1,885)
Interest income	(1,480)	(4,690)
Net unrealised gain on foreign exchange	19	(838)
Property, plant and equipment written off	127	169
Share option expenses	20	805
Waiver of liability	(6)	(6)

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.