



# GADANG HOLDINGS BERHAD

(Company No : 278114-K)

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2012

THE FIGURES HAVE NOT BEEN AUDITED

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/05/2012 RM'000	Preceding Year Quarter 31/05/2011 RM'000	Current Year-to-date 31/05/2012 RM'000	Preceding Year-to-date 31/05/2011 RM'000
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
Revenue	76,529	73,508	246,348	350,486
Cost of sales	(66,595)	(72,798)	(203,752)	(315,309)
<b>Gross profit</b>	<b>9,934</b>	<b>710</b>	<b>42,596</b>	<b>35,177</b>
Other income	2,745	2,124	5,615	3,531
Administrative expenses	(2,678)	(2,515)	(10,280)	(9,374)
Other expenses	(1,173)	(6,454)	(16,567)	(26,126)
Finance costs	15	(1,809)	(3,459)	(4,405)
<b>Profit before tax</b>	<b>8,843</b>	<b>(7,944)</b>	<b>17,905</b>	<b>(1,197)</b>
Income tax expenses	(444)	(1,083)	(3,804)	(2,978)
<b>Net profit for the period</b>	<b>8,399</b>	<b>(9,027)</b>	<b>14,101</b>	<b>(4,175)</b>
<b>Other comprehensive income / (loss) :</b>				
Foreign currency translation	671	(222)	852	(308)
<b>Total comprehensive income for the period</b>	<b>9,070</b>	<b>(9,249)</b>	<b>14,953</b>	<b>(4,483)</b>
<b>Net profit attributable to:</b>				
Equity holders of the Company	9,120	(9,022)	14,822	(4,404)
Non-controlling interests	(721)	5	(721)	229
	<b>8,399</b>	<b>(9,017)</b>	<b>14,101</b>	<b>(4,175)</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	10,211	(9,414)	15,728	(4,707)
Non-controlling interests	(1,141)	165	(775)	224
	<b>9,070</b>	<b>(9,249)</b>	<b>14,953</b>	<b>(4,483)</b>
<b>Earnings per share attributable to equity holders of the Company (sen) :</b>				
Basic	4.64	(4.59)	7.54	(2.24)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 May 2011.



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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MAY 2012**

*THE FIGURES HAVE NOT BEEN AUDITED*

	UNAUDITED	AUDITED
	AS AT 31/05/2012 RM'000	AS AT 31/05/2011 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	65,235	76,439
Biological assets	6,847	3,887
Investment properties	20,648	15,418
Concession assets	32,883	35,605
Other investment	226	226
Goodwill on consolidation	17,295	16,886
Deferred tax assets	778	821
	<u>143,912</u>	<u>149,282</u>
<b>Current assets</b>		
Property development costs	138,701	111,834
Amount due from customers on contracts	69,892	80,040
Inventories	1,610	1,969
Trade receivables and other receivables	56,731	110,559
Tax recoverable	4,304	3,811
Deposit with licensed financial institutions	34,079	36,885
Cash and bank balances	15,500	19,334
	<u>320,817</u>	<u>364,432</u>
<b>TOTAL ASSETS</b>	<u><b>464,729</b></u>	<u><b>513,714</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity Holders of the Company</b>		
Share Capital	196,691	196,691
Reserves	49,530	33,802
	<u>246,221</u>	<u>230,493</u>
<b>Non-controlling interests</b>	3,730	4,505
<b>Total equity</b>	<u><b>249,951</b></u>	<u><b>234,998</b></u>
<b>Non-current liabilities</b>		
Bank borrowings	48,875	24,043
Deferred taxation liabilities	8,520	6,029
Defined benefit obligations	1,234	1,203
	<u>58,629</u>	<u>31,275</u>
<b>Current liabilities</b>		
Provision for liabilities	-	892
Trade and other payables	111,186	125,082
Amount due to customers on contracts	-	1,623
Bank borrowings	44,076	119,589
Provision for taxation	887	255
	<u>156,149</u>	<u>247,441</u>
<b>Total liabilities</b>	<u><b>214,778</b></u>	<u><b>278,716</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>464,729</b></u>	<u><b>513,714</b></u>

Net assets per share attributable to ordinary equity holders of the Company (RM)

1.27

1.19

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2011.*



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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2012**

*THE FIGURES HAVE NOT BEEN AUDITED*

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT 31/05/2012 RM'000</b>	<b>AS AT 31/05/2011 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	17,905	(1,197)
Adjustments for :-		
Depreciation of property, plant and equipment	1,783	3,611
Depreciation of concession assets	3,964	1,480
Impairment losses on goodwill	-	1,597
Gain on disposal of property, plant and equipment	(799)	(701)
Property, plant and equipment written off	267	-
Impairment of assets	12	-
Increase in liability for defined benefit obligations	31	263
Inventories written off	33	149
Provision for doubtful debts	3,137	9,557
Waiver of liability	(186)	-
Interest expense	2,738	447
Interest income	(1,444)	4,405
Dividend Income	-	(988)
Bad debts writte off	1	-
Operating profit before changes in working capital	27,442	18,623
Changes in working capital:-		
Property development costs	(26,867)	(37,003)
Biological assets	(2,914)	(2,487)
Amount due to/from customer on contracts	15,628	(5,249)
Inventories	326	13,577
Receivables	47,578	(8,836)
Payables	(16,018)	8,324
Tax paid	(2,922)	(7,089)
<b>Net cash flow (used in) / generated from operating activities</b>	<b>42,253</b>	<b>(20,140)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition/Increase of shares in a subsidiary	(409)	(1,418)
Purchase of property, plant & equipment	(3,117)	(14,389)
Purchase of concession assets	(13)	(1,254)
Proceeds from disposal of property, plant and equipment	5,768	6,689
Interest received	1,444	-
Dividends received	-	988
<b>Net cash flow (used in) / generated from investing activities</b>	<b>3,673</b>	<b>(9,384)</b>



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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2012**

*THE FIGURES HAVE NOT BEEN AUDITED*

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT 31/05/2012 RM'000</b>	<b>AS AT 31/05/2011 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from rights issues of ordinary shares	-	50,231
Drawdown / (Repayment) of Bank borrowings	(38,519)	27,661
Interest paid	(2,738)	(4,405)
Payment to hire purchase creditors	(9,013)	(13,198)
<b>Net cash flow (used in) / generated from financing activities</b>	<b>(50,270)</b>	<b>60,289</b>
Net change in cash and cash equivalents	(4,344)	30,765
Effect of exchange rate changes	852	(493)
Cash and cash equivalents at beginning of financial year	39,020	8,748
Cash and cash equivalents at end of financial year	<b>35,528</b>	<b>39,020</b>

Cash and cash equivalents at the end of the financial year comprise the following:

	<b>As at 31/05/2012 RM'000</b>	<b>As at 31/05/2011 RM'000</b>
Cash and bank balances	15,500	19,334
Deposit with licensed financial institutions	34,079	36,885
Bank overdraft	(14,051)	(17,199)
<b>Total</b>	<b>35,528</b>	<b>39,020</b>

*The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 May 2011.*



**GADANG HOLDINGS BERHAD**

(Company No : 278114-K)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2012**

*THE FIGURES HAVE NOT BEEN AUDITED*

	Attributable to Equity Holders of the Company								
	Non-Distributable								
	Share Capital RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	Share Premium RM'000	Foreign Exchange Reserve RM'000	Retained Profits RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 June 2011	196,691	6,176	1,347	-	(2,041)	28,320	230,493	4,505	234,998
Total comprehensive income	-	-	-	-	906	14,822	15,728	(775)	14,953
At 31 May 2012	196,691	6,176	1,347	-	(1,135)	43,142	246,221	3,730	249,951
At 1 June 2010	118,016	-	1,347	8,816	(1,737)	58,528	184,970	4,249	189,219
Effects of adopting FRS 139	-	-	-	-	-	(1,615)	(1,615)	-	(1,615)
As restated	118,016	-	1,347	8,816	(1,737)	56,913	183,355	4,249	187,604
Total comprehensive income	-	-	-	-	(304)	(2,789)	(3,093)	224	(2,869)
Accreation of interest in a subsidiary	-	-	-	-	-	-	-	32	32
Issue of shares pursuant to Rights Issue	78,675	-	-	(8,816)	-	(25,804)	44,055	-	44,055
Arising from issuance of warrants	-	6,176	-	-	-	-	6,176	-	6,176
At 31 May 2011	196,691	6,176	1,347	-	(2,041)	28,320	230,493	4,505	234,998

*The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2011.*



## **GADANG HOLDINGS BERHAD**

(Company No. 278114-K)

### **INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2012**

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

##### **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 2011. 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 2011.

##### **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 2011, except for the changes arising from the adoption of new / revised Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations that are effective for financial period beginning 1 June 2011 as follows:

FRS 4: Insurance Contracts

Amendments to FRS 1 and FRS 127: First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Share-based Payment: Vesting Conditions and Cancellations

Amendments to FRS 7: Financial Instruments: Disclosures

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 139, FRS 7 and IC Interpretation 9: Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (2009)

IC Interpretation 9: Reassessment of Embedded Derivatives and Impairment

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

TR i – 3: Presentation of Financial Statements of Islamic Financial Institutions

The initial application of the other new / revised FRSs, Amendment to FRSs and IC Interpretations has no material impact to the financial statements of the Group.



## **GADANG HOLDINGS BERHAD**

(Company No. 278114-K)

### **INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2012**

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

##### **A2. CHANGES IN ACCOUNTING POLICIES (Cont'd)**

###### **Malaysian Financial Reporting Standards (MFRS)**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities")

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its financial statements for the year ending 31 May 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has yet to complete its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these interim financial statements for the year ended 31 May 2012 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 May 2013.

##### **A3. AUDIT REPORT**

The auditors' report on the Group's annual financial statements for the year ended 31 May 2011 was not subject to any audit qualification.

##### **A4. SEASONAL OR CYCLICAL FACTORS**

The Group's business operations for the quarter ended 31 May 2012 have not been materially affected by seasonal or cyclical factors.

##### **A5. EXCEPTIONAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2012

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

##### A6. EFFECTS OF CHANGES IN ESTIMATES

There were no changes in estimates that have a material effect in the current quarter and financial year ended 31 May 2012.

##### A7. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial year ended 31 May 2012.

##### A8. DIVIDEND PAID

There was no payment of dividend in the current quarter.

##### A9. SEGMENTAL REPORTING

12 months ended 31 May 2012 (Current Financial Period)

31 May 2012	Engineering and construction works RM	Property investment and development RM	Water concession RM	Plantation RM	Investment holdings and others RM	Elimination RM	Total RM
<b><u>Revenue</u></b>							
External sales	189,126,725	40,889,847	16,330,968	-	-	-	246,347,540
Inter-segment sales	4,000,227	528,804	-	-	29,526,065	(34,055,096)	-
Total revenue	193,126,952	41,418,651	16,330,968	-	29,526,065	(34,055,096)	246,347,540
<b><u>Result</u></b>							
Segment results	5,408,499	11,166,919	2,914,066	(749,713)	398,887	2,224,946	21,363,604
Finance costs	(1,917,503)	(302,890)	(512,638)	(11,596)	(714,015)	-	(3,458,642)
Profit/(Loss) before tax	3,490,996	10,864,029	2,401,428	(761,309)	(315,128)		17,904,962
Income tax expense							(3,804,104)
Profit for the year							14,100,858





## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2012

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

#### A9. SEGMENTAL REPORTING (Cont'd)

12 months ended 31 May 2011(Previous Financial Period)-(Restated)

31 May 2012	Engineering and construction works RM	Property investment and development RM	Water concession RM	Plantation RM	Investment holdings and others RM	Elimination RM	Total RM
<b>Revenue</b>							
External sales	299,835,762	35,950,045	14,692,292	-	8,744	-	350,486,843
Inter-segment sales	53,637,257	2,800,504	986,400	-	5,594,946	(63,019,107)	-
Total revenue	353,473,019	38,750,549	15,678,692	-	5,603,690	(63,019,107)	350,486,843
<b>Result</b>							
Segment results	(4,411,103)	8,113,023	3,138,549	(491,291)	1,959,910	(5,100,751)	3,208,337
Finance costs	(2,438,472)	(14,521)	(726,448)	(7,533)	(1,218,297)	-	(4,405,271)
Profit/(Loss) before tax	(6,849,575)	8,098,502	2,412,101	(498,824)	741,613		(1,196,934)
Income tax expense							(2,978,127)
Loss for the year							(4,175,061)

#### A10. CARRYING AMOUNT OF REVALUED ASSETS

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended 31 May 2011.

#### A11. EVENTS SUBSEQUENT TO THE STATEMENT OF FINANCIAL POSITION DATE

There were no material events subsequent to the end of the quarter under review.

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

During the financial year ended 31 May 2012, the following changes in composition were effected:-

- (i) On 3 April 2012, the Company announced that Gadang Land Sdn Bhd, its wholly-owned subsidiary, had acquired two (2) ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Prelude Avenue Sdn Bhd ("Prelude Avenue") for a total consideration of RM2.00. Prelude Avenue was incorporated on 28 December 2010 and its principal activity is property development.
- (ii) On 2 May 2012, the Company announced that Maxlux Projects Private Limited (formerly known as Gadang Engineering and Construction (India) Private Limited) ("GECI") has ceased to be a subsidiary in the Group following the transfer of its wholly-owned subsidiary, Gadang Engineering (M) Sdn Bhd's entire shareholdings of 198,980 equity shares of Indian Rupees Ten



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2012

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

(Rs 10) each representing 95.2% of the enlarged issued and paid-up share capital of GECI to Mr Anup Kumar Saha, the minority shareholder, for a total cash consideration of RM100.00.

#### 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 :-

	<u>RM'000</u>
As at 31 May 2011	325,868
Decrease during the financial period	(79,653)
As at 31 May 2012	<u>246,215</u>

#### A14. CAPITAL COMMITMENTS

As at 31 May 2012  
RM'000

##### Approved and contracted for

- |   |        |
|---|--------|
| - Purchase of land for property development | 13,000 |
|---|--------|

##### Approved and not contracted for

- |                                    |               |
|------------------------------------|---------------|
| - Oil palm plantations development | 9,200         |
|                                    | <u>22,200</u> |
|                                    | =====         |



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2012

#### 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

The Group registered revenue of RM246.35 million for the current year-to-date ended 31 May 2012 (4Q12) as compared to RM350.49 million recorded in the previous corresponding period ended 31 May 2011 (4Q11). This decline in revenue was mainly due to the completion of major contracts and the longer tendering period for new projects secured by the Construction Division.

Despite the decrease in revenue, the Group registered a significant increase in profit before tax ("PBT") of RM17.91 million in 4Q12 as compared to a loss before taxation of RM1.20 million in 4Q11. The increase in PBT was attributed to the higher contributions from the Construction and Property Divisions.

Further analysis of the divisional performances are as follows:

###### Construction Division

	YTD Ended 31.05.2012 RM'000	YTD Ended 31.05.2011 RM'000
Revenue	193,126	353,473
Profit / (Loss) Before Tax	3,490	(4,411)

The Construction Division recorded a substantial decline in revenue by 45% in 4Q12 as compared to 4Q11. This was mainly due to the completion of major projects such as the LCCT (Low Cost Carrier Terminal) and the Cheras Hospital projects. The new Shah Alam Hospital project has yet to contribute significant revenue in view that it is in initial implementation stage.

Despite the decrease in revenue, the PBT increased to RM3.49 million in 4Q12 as compared to a pre-tax loss of RM4.41 million in 4Q11. This was mainly due to some variation orders approved in 4Q12 for the existing projects. The loss in 4Q11 was a result of the significant one-off doubtful debts provision of RM8.86 million.

###### Property Division

	YTD Ended 31.05.2012 RM'000	YTD Ended 31.05.2011 RM'000
Revenue	41,419	38,750
Profit Before Tax	10,864	8,113

For property division, the revenue and PBT increased from RM38.75 million and RM8.11 million in 4Q11 to RM41.42 million and RM10.86 million respectively in 4Q12. The increase in revenue and PBT was mainly contributed by the disposal of Kuang Land. Overall, the Division registered slower sales during 4Q12 due to tighter credit environment for housing loans.



## GADANG HOLDINGS BERHAD

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### INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2012

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

##### Water Concession

	YTD Ended 31.05.2012 RM'000	YTD Ended 31.05.2011 RM'000
Revenue	16,331	15,678
Profit Before Tax	2,401	3,138

The revenue increased slightly from RM15.68 million in 4Q11 to RM16.33 million in 4Q12 due to higher tariff for water sales. Despite this, the PBT decreased from RM3.13 million in 4Q11 to RM2.40 million in 4Q12. This was mainly due to the one-off prior years' adjustment on depreciation of Concession Asset made in 4Q12.

##### Plantation

	YTD Ended 31.05.2012 RM'000	YTD Ended 31.05.2011 RM'000
Revenue	-	-
Loss Before Tax	(761)	(491)

The division is still under planting and development stage, hence no revenue recorded. The loss was mainly attributed to the operating overheads incurred.

#### **B2. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS FOR CURRENT QUARTER AS COMPARED TO PRECEDING QUARTER.**

	Current Quarter 31.05.2012 RM'000	Preceding Quarter 29.02.2012 RM'000
Revenue	76,529	61,015
Profit Before Tax	8,843	1,881

The group recorded higher PBT of RM8.84 million for the current quarter as compared to RM1.88 million in the preceding quarter. This was mainly due to higher contribution from the Construction Division as a result of some variation orders approved in the current quarter for existing projects.

#### **B3. PROSPECTS FOR THE NEXT FINANCIAL YEAR**

The Group is rationalizing and disposing low income yielding assets to consolidate its working capital for major projects currently secured and tendered by the Group.

The Construction Division's performance is expected to further improve with the boost of its order book and the encouraging replenishment prospects. On-going initiatives are being directed at lowering and optimizing the cost structure to manage the decline margins due to severe competition.

Supported by the above and the satisfactory performance for the Property Division as well as steady earnings from the Water Division, the Group expects to achieve a better performance for next financial year ending 31 May 2013.



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2012

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

##### 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:-

	Current quarter RM'000	12 months Year-to-date RM'000
Current tax:		
Malaysian income tax	(163)	2,893
Foreign tax	733	1,099
Under / (over) provision for prior years	(869)	(931)
Deferred taxation	743	743
	<u>444</u>	<u>3,804</u>

The effective tax rate for the Group for the financial period is higher than the statutory tax rate because certain expenses are not allowable as deduction for tax purposes, and losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries.

##### B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no pending corporate proposals.

##### B7. GROUP BORROWINGS

The details of the Group borrowings are as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	44,076	-	44,076
Long term borrowings	48,875	-	48,875
	<u>92,951</u>	<u>-</u>	<u>92,951</u>

Borrowings denominated in foreign currency :

	Rp'000	RM'000 Equivalent
Indonesian Rupiah (Rp)	<u>10,113,088</u>	<u>3,418</u>

##### B8. MATERIAL LITIGATION

As at 19 July 2012, 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.



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2012

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

##### B9. DIVIDEND

The Board has recommended a first and final dividend of 2% per share less 25% income tax for approval of the shareholders at the forthcoming annual general meeting. The entitlement date and the payment date of the proposed first and final dividend shall be announced later.

##### B10. EARNINGS PER SHARE

###### Basic earnings per share

The basic earnings per share has been calculated by dividing the profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares that would have been during the financial year, calculated as follows :-

	INDIVIDUAL QUARTER		YEAR-TO-DATE	
	31/05/2012	31/05/2011	31/05/2012	31/05/2011
Profit/(Loss) attributable to ordinary equity holders of the Company (RM'000)	9,120	(9,022)	14,822	(4,404)
Weighted average number of ordinary shares ('000)	196,691	196,691	196,691	196,691
Basic earnings/(Loss) per share(sen)	4.64	(4.59)	7.54	(2.24)

##### B11. 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 31 May 2012, into realised and unrealised profits, pursuant to the directive, is as follows:

	As at 31.05.2012 RM'000	As at 31.05.2011 RM'000
Total retained profits of the Group	50,884	33,528
- Realised	(7,742)	(5,208)
- Unrealised		
Total Retained Profits as per statement of financial position	43,142	28,320

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.



## GADANG HOLDINGS BERHAD

(Company No. 278114-K)

### INTERIM REPORT FOR THE QUARTER ENDED 31 MAY 2012

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

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.

#### B12. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Total comprehensive income for the period is arrived at after charging/ (crediting) the following items:

	Current Year Quarter 31/05/2012 RM'000	Current Year To Date 31/05/2012 RM'000
Interest Income	(766)	(1,444)
Other Income	(1,505)	(2,832)
Interest expense	(737)	2,736
Depreciation and amortization	844	5,827
Provision for and write off of receivable	(198)	3,138
Provision for and write off of inventories	33	33
(Gain) / loss on disposal of quoted or unquoted investment	-	-
(Gain) / loss on disposal of property, plant and equipment	66	(799)
Impairment and write off of property, plant and equipment	279	279
(Gain) / loss on foreign exchange	1	1
(Gain) / loss on derivatives	-	-
Exceptional items	-	-

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

#### BY ORDER OF THE BOARD,

Tan Seok Chung  
Company Secretary  
26 July 2012