PJ DEVELOPMENT HOLDINGS BERHAD (5938-A)

QUARTERLY REPORT
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	As at 30.6.2016 RM'000	As at 31.12.2015 RM'000
Assets:		
Non-current		
Property, plant and equipment	**523,634**	531,642
Investment properties	**40,273**	40,525
Associates	**66,313**	66,174
Investment in a joint venture	**8,190**	9,350
Bearer plants	**16,848**	17,298
Intangible assets	**4,213**	4,568
Inventories	**550,133**	552,528
Deferred tax assets	**47,389**	42,266
Available-for-sale securities	**789**	717
Receivables and contract assets	**25,801**	22,061
	1,283,583	1,287,129
Current		
Inventories	**366,633**	356,110
Receivables and contract assets	**389,384**	465,586
Tax recoverable	**11,707**	12,623
Derivative asset	**22,140**	30,718
Securities at fair value through profit or loss, liquid investments	**30,162**	3,010
Cash and bank balances	**163,142**	150,638
	983,168	1,018,685
Total Assets	**2,266,751**	2,305,814

QUARTERLY REPORT
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)
AS AT 30 JUNE 2016

	Note	As at 30.6.2016 RM'000	As at 31.12.2015 RM'000
Liabilities:			
Non-current			
Borrowings	B8	**201,509**	397,418
Deferred income		**163,737**	168,233
Payables and contract liabilities		**8,618**	9,364
Deferred tax liabilities		**23,047**	24,214
		396,911	599,229
Current			
Borrowings	B8	**324,169**	106,278
Deferred income		**3,116**	3,827
Payables and contract liabilities		**273,049**	294,175
Dividend payable		**-**	13,091
Tax payable		**6,767**	12,374
		607,101	429,745
Total Liabilities		**1,004,012**	1,028,974
Net Assets		**1,262,739**	1,276,840
Equity:			
Share capital		**528,845**	528,439
Treasury shares, at cost	A5(b)	**(5,133)**	(5,133)
		523,712	523,306
Reserves		**689,615**	701,776
Issued capital and reserves attributable to Owners of the Company		**1,213,327**	1,225,082
Non-controlling interests		**49,412**	51,758
Total equity		**1,262,739**	1,276,840
Net assets per share attributable to Owners of the Company (RM)		**2.32**	2.34

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the 6 months ended 31 December 2015)

PJ DEVELOPMENT HOLDINGS BERHAD (5938-A)

QUARTERLY REPORT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SECOND QUARTER ENDED 30 JUNE 2016

	Note	**Current quarter ended 30.6.2016**	Comparative quarter ended 30.6.2015	**Current year to date ended 30.6.2016**	Preceding year to date ended 30.6.2015
		RM'000	RM'000	**RM'000**	RM'000
Revenue		**183,111**	N/A	**374,319**	N/A
Results from operating activities		**7,925**	N/A	**22,632**	N/A
Interest income		**1,469**	N/A	**2,745**	N/A
Finance costs		**(3,120)**	N/A	**(5,672)**	N/A
Operating profit		**6,274**	N/A	**19,705**	N/A
Share of results of associated companies and a joint venture		**708**	N/A	**(158)**	N/A
Profit before taxation		**6,982**	N/A	**19,547**	N/A
Taxation	B6	**(2,266)**	N/A	**(6,251)**	N/A
Profit after taxation		**4,716**	N/A	**13,296**	N/A
Profit/(loss) attributable to:					
Owners of the Company		**4,789**	N/A	**13,488**	N/A
Non-controlling interests		**(73)**	N/A	**(192)**	N/A
		4,716	N/A	**13,296**	N/A
Earnings per share attributable to Owners of the Company (sen):	B11				
Basic		**0.91**	N/A	**2.57**	N/A
Diluted		**0.85**	N/A	**2.40**	N/A

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the 6 months ended 31 December 2015)

Notes:
In 2015, the Company changed its financial year end from 30 June to 31 December and made up its financial statements for the 6 months period ended 31 December 2015.

Consequently, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods, and the 2015 quarterly results do not form an entirely proper basis for comparison with the 2016 quarterly results. The 2015 quarterly results have therefore not been included in this interim financial report as comparative figures.

PJ DEVELOPMENT HOLDINGS BERHAD (5938-A)

QUARTERLY REPORT
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2016

	Current quarter ended 30.6.2016	Comparative quarter ended 30.6.2015	**Current year to date ended 30.6.2016**	Preceding year to date ended 30.6.2015
	RM'000	RM'000	**RM'000**	RM'000
Profit after taxation	**4,716**	N/A	**13,296**	N/A
Other comprehensive income/(loss) for the period, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	**103**	N/A	**(14,348)**	N/A
Fair value loss on cash flow hedge	**(340)**	N/A	**(426)**	N/A
Fair value gains on available-for-sale securities	**1**	N/A	**73**	N/A
Other comprehensive loss, net of tax	**(236)**	N/A	**(14,701)**	N/A
Total comprehensive income/(loss) for the period, net of tax	**4,480**	N/A	**(1,405)**	N/A
Total comprehensive income/(loss) attributable to:				
Owners of the Company	**4,722**	N/A	**941**	N/A
Non-controlling interests	**(242)**	N/A	**(2,346)**	N/A
	4,480	N/A	**(1,405)**	N/A

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the 6 months ended 31 December 2015)

Notes:
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QUARTERLY REPORT
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2016

	Attributable to Owners of the Company										
	Share Capital	Treasury Shares	Share Premium	Warrant Reserve	Available-for-sale Reserve	Exchange Translation Reserve	Hedging Reserve	Retained Profits	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2016	**528,439**	**(5,133)**	**41,221**	**2,829**	**683**	**20,757**	**922**	**635,364**	**1,225,082**	**51,758**	**1,276,840**
Profit/(loss) for the financial period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**13,488**	**13,488**	**(192)**	**13,296**
Foreign currency translation	**-**	**-**	**-**	**-**	**-**	**(12,194)**	**-**	**-**	**(12,194)**	**(2,154)**	**(14,348)**
Fair value loss on cash flow hedge	**-**	**-**	**-**	**-**	**-**	**-**	**(426)**	**-**	**(426)**	**-**	**(426)**
Fair value gains on available-for-sale securities	**-**	**-**	**-**	**-**	**73**	**-**	**-**	**-**	**73**	**-**	**73**
Total comprehensive income/(loss) for the financial period	**-**	**-**	**-**	**-**	**73**	**(12,194)**	**(426)**	**13,488**	**941**	**(2,346)**	**(1,405)**
Transactions with Owners											
Dividend paid to shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(13,102)**	**(13,102)**	**-**	**(13,102)**
Issue of shares arising from exercise of Warrants C	**406**	**-**	**8**	**(8)**	**-**	**-**	**-**	**-**	**406**	**-**	**406**
Total transactions with Owners	**406**	**-**	**8**	**(8)**	**-**	**-**	**-**	**(13,102)**	**(12,696)**	**-**	**(12,696)**
Balance as at 30 June 2016	**528,845**	**(5,133)**	**41,229**	**2,821**	**756**	**8,563**	**496**	**635,750**	**1,213,327**	**49,412**	**1,262,739**
Balance as at 1 July 2015	458,594	(5,133)	39,824	4,226	683	(1,469)	-	626,101	1,122,826	47,558	1,170,384
Profit/(loss) for the financial period	-	-	-	-	-	-	-	35,445	35,445	(242)	35,203
Foreign currency translation	-	-	-	-	-	22,226	-	-	22,226	4,442	26,668
Fair value gains on cash flow hedge	-	-	-	-	-	-	922	-	922	-	922
Total comprehensive income for the financial period	-	-	-	-	-	22,226	922	35,445	58,593	4,200	62,793
Transactions with Owners											
Dividend paid and payable to shareholders	-	-	-	-	-	-	-	(26,182)	(26,182)	-	(26,182)
Issue of shares arising from exercise of Warrants C	69,845	-	1,397	(1,397)	-	-	-	-	69,845	-	69,845
Total transactions with Owners	69,845	-	1,397	(1,397)	-	-	-	(26,182)	43,663	-	43,663
Balance as at 31 December 2015	528,439	(5,133)	41,221	2,829	683	20,757	922	635,364	1,225,082	51,758	1,276,840

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the 6 months ended 31 December 2015)

Notes:
In 2015, the Company changed its financial year end from 30 June to 31 December and made up its financial statements for the 6 months period ended 31 December 2015.

Consequently, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods, and the 2015 quarterly results do not form an entirely proper basis for comparison with the 2016 quarterly results. The 2015 quarterly results have therefore not been included in this interim financial report as comparative figures.

PJ DEVELOPMENT HOLDINGS BERHAD (5938-A)

QUARTERLY REPORT
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2016

	Current period ended 30.6.2016
	RM'000
Cash Flows From Operating Activities	
Profit before taxation	19,547
Adjustments for :	
Bad debt written off	56
Depreciation on:	
- investment properties	252
- property, plant and equipment and bearer plants	11,605
Fair value gain arising from changes in fair value of agricultural produce	(109)
Fair value loss arising from changes in fair value of bearer plants	212
Impairment loss on:	
- goodwill on consolidation	355
- receivables and contract assets	352
Interest accretion on receivables	112
Interest expense	5,672
Interest income	(2,745)
Loss on disposal of property, plant and equipment	23
Property, plant and equipment written off	183
Reversal of impairment loss on receivables and contract assets	(104)
Share of results of associated companies and a joint venture	158
Unrealised gain on foreign exchange	(110)
Operating profit before changes in working capital	35,459
Changes in working capital:	
Inventories	(20,364)
Receivables and contract assets	74,647
Payables and contract liabilities	(26,368)
Cash generated from operations	63,374
Tax paid	(20,657)
Tax refunded	3,425
Net cash from operating activities	46,142

QUARTERLY REPORT
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE PERIOD ENDED 30 JUNE 2016

	Current period ended 30.6.2016 RM'000
Cash Flows From Investing Activities	
Advances to an associate	(1,219)
Increase in pledged deposits placed with licensed banks	(5,032)
Interest received	2,745
Proceeds from disposal of property, plant and equipment	273
Purchase of property, plant, equipment and bearer plants	(7,529)
Net cash used in investing activities	(10,762)
Cash Flows From Financing Activities	
Interest paid	(11,642)
Dividend paid to shareholders of the Company	(26,193)
Drawdown of bank borrowings	81,602
Repayments of bank borrowings	(41,609)
Proceed from issuance of new ordinary shares arising from exercise of Warrants C	406
Net cash from financing activities	2,564
Net increase in cash and cash equivalents	37,944
Effects of exchange rate changes	(611)
Cash and cash equivalents at beginning of period	146,138
Cash and cash equivalents at end of period	183,471
Cash and cash equivalents at end of period comprised:	
Cash and bank balances	137,750
Deposits with licensed banks	25,392
	163,142
Bank overdrafts	(1,496)
Deposits pledged with licensed banks	(8,337)
Securities at fair value through profit or loss, liquid investments	30,162
Cash and cash equivalents	183,471

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the 6 months ended 31 December 2015)

Notes:
In 2015, the Company changed its financial year end from 30 June to 31 December and made up its financial statements for the 6 months period ended 31 December 2015.

Consequently, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods, and the 2015 quarterly results do not form an entirely proper basis for comparison with the 2016 quarterly results. The 2015 quarterly results have therefore not been included in this interim financial report as comparative figures.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

The unaudited interim financial report ("the quarterly report") have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K - Periodic Disclosures of the Listing Requirements of Bursa Malaysia Securities Berhad

PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134: Interim Financial Reporting ("MFRS 134") issued by the MASB

A1. Basis of preparation

This quarterly report should be read in conjunction with the audited financial statements of the Group for the period ended 31 December 2015 and the accompanying explanatory notes, which 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 period ended 31 December 2015.

The significant accounting policies and methods of computation applied in preparing the unaudited interim financial statements are consistent with those adopted in the audited financial statements for the period ended 31 December 2015.

For the current year to date, the Group adopted the following standards, amendments to published standards and interpretations that are applicable and effective for the Group’s financial year beginning on 1 January 2016:

(a) Annual Improvements to MFRSs 2012 – 2014 Cycle that aim to enhance the quality of standards, to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts or oversights.

(b) Amendment to MFRS 11 ‘Joint Arrangements’ requires an investor to apply the principles of MFRS 3 ‘Business Combination’ when it acquires an interest in a joint operation that constitutes a business. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.

(c) Clarifications to MFRS 15 'Revenue from Contracts with Customers' to clarify the application of the principles in identifying whether performance obligations are distinct; determining whether an entity is a principal or an agent; and assessing whether revenue from a licence of intellectual property is recognised over time or at a point in time.

(d) Amendments to MFRS 101 'Presentation of Financial Statements' aim to improve the effectiveness of disclosures in the financial statements and are designed to encourage an entity to apply professional judgement in determining the information to be disclosed in the financial statement.

A1. Basis of preparation (Cont'd)

For the current year to date, the Group adopted the following standards, amendments to published standards and interpretations that are applicable and effective for the Group’s financial year beginning on 1 January 2016: (Cont'd)

(e) Amendments to MFRS 116 ‘Property, Plant and Equipment’ and MFRS 138 ‘Intangible Assets’ (effective from 1 January 2016) clarify that the use of revenue-based methods to calculate the depreciation of an item of property, plant and equipment is not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

Similarly, the amendments to MFRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

(f) Amendments to MFRS 116 'Property, Plant and Equipment' and MFRS 141 'Agriculture' amended the scope of MFRS 116 to include bearer plants related to agricutural activity. However, MFRS 141 applies to the produce growing on those bearer plants.

A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants are measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. Agricultural produce growing on bearer plants continue to be measured at fair value less costs to sell, with fair value changes recognised in profit or loss as the produce grows.

(g) Amendments to MFRS 127 'Separate Financial Statements' allow an entity to use the equity method in its separate financial statements to account for investments in subsidiary companies, joint ventures and associated companies, in addition to the existing cost method.

The adoption of these amendments to published standards and interpretations did not have any material impact on the Group.

The following are standards, amendments to published standards and interpretations to existing MFRSs issued by the MASB that are applicable to the Group but not yet effective for current financial year:

(a) <u>For financial year beginning on/after 1 January 2017</u>

Amendment to MFRS 107 'Statement of Cash Flows' requires an entity provide addition disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. It requires the disclosure of a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Amendment to MFRS 112 'Income Taxes' clarifies the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendment introduces to compare the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences.

A1. Basis of preparation (Cont'd)

The following are standards, amendments to published standards and interpretations to existing MFRSs issued by the MASB that are applicable to the Group but not yet effective for current financial year: (Cont'd)

(b) For financial year beginning on/after 1 January 2018

MFRS 9 ‘Financial Instruments’ (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The financial effects of adoption of MFRS 9 are still being assessed by the Group due to the complexity and significant changes in its requirements.

Extensive disclosures are required, including reconciliation from opening to closing amount of the expected loss provision, assumption and inputs and a reconciliation on transition of the original classification categories under MFRS 139 to the new classification categories in MFRS 9. The financial effects of adoption of MFRS 9 are still being assessed by the Group due to the complexity of this standard.

(c) For financial year beginning on/after 1 January 2019

MFRS 16 ' Leases' will replace the existing standard on Leases, MFRS 117.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. MFRS 16 requires lessees to recognise assets and liabilities for all leases with a term of more than 12 months and for which the underlying asset is not of low value. For lessors, MFRS16 requires enhanced disclosure on the information about their risk exposure.

A2. Seasonal or cyclical factors

Other than the Hospitality division which is affected by holiday seasons, the other business operations of the Group for the current year to date were not materially affected by any seasonal or cyclical factors.

A3. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the financial statements for the current period to date.

A4. Changes in estimates

There were no significant changes in estimates of amounts reported in prior interim periods or prior financial periods that have a material effect in the current financial period.

A5. Debt and equity securities

There were no significant changes in the debt and equity securities except as disclosed below:

a) Exercise of Warrants C 2010/2020

The issued and paid-up capital of the Company was increased from RM528,439,177 to RM528,845,177 by the allotment of a total of 406,000 new ordinary shares of RM1.00 each pursuant to the exercise of 406,000 Warrants C 2010/2020. The details of the Warrants C exercised during the current financial period is as follows:

Allotment date	No. of Warrants C exercised	No. of shares allotted	Type of issue
12 January 2016	6,000	6,000	Exercise of Warrants C 2010/2020 at RM1.00 per share
31 March 2016	400,000	400,000	
Total	406,000	406,000	

b) Shares Buy-Back/Treasury Shares

As at 30 June 2016, a total of 4,778,300 shares purchased were being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The Company may distribute the treasury shares as dividend to the shareholders or sell the treasury shares in the market in accordance with the Rules of Bursa Malaysia Securities Berhad or cancel the shares in accordance with Section 67A of the Companies Act, 1965.

The Company has neither made any sale nor any cancellation of its treasury shares.

A6. Dividends paid

During the financial period ended 30 June 2016, the following dividends have been paid by the Company.

(i) A single-tier interim dividend of 2.5 sen per ordinary share for financial period ended 31 December 2015 amounted to RM13,091,521 was paid on 18 January 2016.

(ii) At the Company's Annual General Meeting held on 19 April 2016, the shareholders of the Company approved a single-tier final dividend of 2.5 sen per ordinary share in respect of the financial period ended 31 December 2015. The said final dividend amounted to RM13,101,671 was paid on 9 May 2016.

A7. Segmental information

The Group's business segments are organised and managed separately according to the nature of its products and services, specific expertise and technologies requirements, which requires different business and marketing strategies, which are regularly provided to and reviewed by the chief operating decision makers. The reportable segments are summarised as follows:

(a) Properties
- (i) Property Development - Property development of residential and commercial properties for sale as well as provision of project management services.
- (ii) Property Investment & Management - Management and letting of properties, contributing rental yield and appreciation of properties.

(b) Construction - Building construction works.

(c) Industries
- (i) Power Cables - Manufacturing and trading of cable and wire products.
- (ii) Industrialised Building System ("IBS") Wall Panel - Manufacturing and sale of concrete wall panels, an IBS materials and trading of building materials.

(d) Hospitality
- (i) Hotels and Resorts - Management of hotels, resorts including golf course operations.
- (ii) Vacation Club - Management of timeshare membership scheme through vacation club.

(e) Investment Holding - Investing activities, where investments contribute dividend income and interest income as well as sharing of results of the investee companies.

Other operating segments comprise operations related to software consultancy, product development and maintenance as well as cultivation of oil palm.

Business segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The inter-segment transactions have been entered into at terms mutually agreed between the segments concerned and have been eliminated to arrive at the Group's results.

Basis of segmentation and related measurement have no material change from the amounts disclosed in the audited financial statements of the Group for the period ended 31 December 2015.

A7. Segmental information (Cont'd)

Segment results for the period ended 30 June 2016

	Properties	Construction	Industries	Hospitality	Investment Holding	Others	Inter-segments Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
Total revenue	139,398	97,542	151,581	58,282	67,867	2,555	(142,906)	374,319
Inter-segment revenue	-	(73,759)	(410)	(75)	(67,867)	(795)	142,906	-
Revenue from external customers	139,398	23,783	151,171	58,207	-	1,760	-	374,319
Results								
Segment results	6,744	6,127	19,585	(6,051)	(9,118)	(232)	5,577	22,632
Inter-segment expenses	3,641	757	1,198	1,156	-	115	(6,867)	-
Interest income	2,966	664	213	60	5,452	13	(6,623)	2,745
Finance costs	(1,718)	-	(318)	(2,776)	(4,198)	(371)	3,709	(5,672)
Share of results of associated companies and a joint venture	-	-	-	-	(158)	-	-	(158)
Profit/(loss) before taxation	11,633	7,548	20,678	(7,611)	(8,022)	(475)	(4,204)	19,547
Taxation	(3,234)	(1,865)	(4,614)	1,688	1,687	87	-	(6,251)
Profit/(loss) after taxation	8,399	5,683	16,064	(5,923)	(6,335)	(388)	(4,204)	13,296

A7. Segmental information (Cont'd)

Segment results for the preceding period ended 30 June 2015

	Properties	Construction	Industries	Hospitality	Investment Holding	Others	Inter-segments Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
Total revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inter-segment revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Revenue from external customers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Results								
Segment results	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Finance costs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Share of results of associated companies and a joint venture	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Profit/(loss) before taxation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Taxation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Profit/(loss) after taxation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

A7. Segmental information (Cont'd)

Geographical information

The Group's operations are mainly based in Malaysia and Australia. Other geographical segments include Singapore, Thailand, Vietnam and British Virgin Islands.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from which the sale transactions originated.

Segment assets are based on the geographical location of the assets of the Group. The non-current assets do not include deferred tax assets.

	Current year to date ended 30.6.2016
	RM'000
Revenue from external customers	
Malaysia	357,774
Australia	1,707
Others	14,838
	374,319

	As at 30.6.2016
	RM'000
Non-current assets	
Malaysia	721,227
Australia	508,446
Others	6,521
	1,236,194

A8. Material events subsequent to the date of the statement of financial position

There were no material event subsequent to the end of the financial period under review.

A9. Changes in the composition of the group

There were no major changes in the composition of the Group during the current financial period to date, including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations, except as follow:

(a) Striking off Swiss-Garden International Limited ("SGIL")

On 24 December 2015, SGIL, a dormant indirect wholly-owned subsidiary of the Company, has made an application for striking off with the Companies House, United Kingdom. Subsequently, SGIL was dissolved on 22 March 2016 pursuant to the Notice of Dissolution published on 22 March 2016.

(b) Striking off of Pengerang Jaya Investment Pte Ltd (“PJIPL”)

PJIPL, a dormant indirect wholly-owned subsidiary of the Company, has on 16 June 2016 received a notification dated 6 June 2016 from Accounting and Corporate Regulatory Authority informing that PJIPL has been struck off from the register under the Singapore Companies Act (Chapter 50).

The striking off of SGIL and PJIPL do not have a material effect on the earnings and net assets of the Group for the financial year ending 31 December 2016.

A10. Changes in contingent liabilities or contingent assets

There were no major changes in the contingent liabilities or contingent assets of the Group since the previous audited financial statements.

A11. Valuation of property, plant and equipment

The Group did not perform any valuation on property, plant and equipment since the date of previous audited financial statements.

A12. Capital commitments

Capital commitments not provided for in the financial statements as at 30 June 2016 are as follows:

	RM’000
Contracted but not provided for	
- Property, plant and equipment	**1,421**

A13. Significant related party transactions

	Current year to date ended 30.6.2016 RM'000
(a) Significant transactions with ultimate holding group of companies:	
Revenue	
Construction cost billed	**16,169**
IT services receivable	**140**
Room revenue receivable	**155**
Expenses	
Management fees payable	**(3,004)**
Rental of premises payable	**(699)**
(b) Significant transactions with companies related to Directors of the Company:	
Revenue	
Room revenue receivable	**37**
Expenses	
Insurance premium payable	**(1,091)**
Upkeep & maintenance expenses	**(1,808)**
Rental of premises payable	**(13)**
(c) Significant transaction with an associated company:	
Revenue	
Interest income	**1,219**

A14. Fair value measurement

Determination of fair value

The carrying amounts of trade and other receivables/payables, cash and cash equivalents and short term borrowings approximated their fair values due to the relatively short term maturity in nature of these financial instruments.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable for the assets or liabilities, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data for the assets or liabilities.

The following table shows an analysis of financial instruments and non-financial assets recorded at fair value within the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 30.6.2016				
Financial assets				
Available-for-sale securities	**-**	**-**	**789**	**789**
Derivative asset	**-**	**22,140**	**-**	**22,140**
Securities at fair value through profit or loss, liquid investments	**30,162**	**-**	**-**	**30,162**
	30,162	**22,140**	**789**	**53,091**
As at 31.12.2015				
Financial assets				
Available-for-sale securities	-	-	717	717
Derivative asset	-	30,718	-	30,718
Securities at fair value through profit or loss, liquid investments	3,010	-	-	3,010
	3,010	30,718	717	34,445

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the last bid price. There were no transfers between Level 1 and 2 during the current financial period.

A15. Derivative financial instruments

The Group's outstanding derivative as at 30 June 2016 is as follow:

Type of Derivative	Contract / Notional Value RM'000	Fair Value RM'000	Cash Flow Hedge Reserve RM'000
Cross currency interest rate swap contract			
- 1 year to 3 years	**99,360**	**22,140**	**(426)**

Cross-currency interest rate swap have been entered into in order to operationally hedge the borrowing denominated in United States Dollar ('USD') and floating monthly interest payments on borrowings that would mature on 30 September 2018. The fair value of the cross-currency interest rate swap contract is the amount that would be payable or receivable upon termination of the position at the end of each reporting period, and is determined using forward interest rates extracted from observable yield curve and forward exchange rates at the end of the reporting period, with the resulting value discounted back to fair value.

The derivative is initially recognised at fair value on the date the derivative contract is entered into and the subsequent gain or loss on remeasurement of the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

PART B - Explanatory Notes Pursuant to Chapter 9, Part K - Periodic Disclosures, Part A of Appendix 9B, of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")

B1. Review of the Performance

The Company changed its financial year end from 30 June to 31 December in 2015 and made up its financial statements for the 6-months ended 31 December 2015. Thus, there is no comparative for the current financial period and current quarter under review. However, a copy of the restated results of the Group for the 6 months ended 30 June 2015 is attached for reference.

<u>Current Quarter ("2Q16") compared with Comparative Quarter of Preceding Year ("2Q15")</u>

The Group posted a decrease in revenue of RM1.47 million or 0.8% to RM183.11 million for the current quarter ended 30 June 2016 (“2Q16”) compared to RM184.58 million in the preceding year quarter ended 30 June 2015 (“2Q15”). The Group registered a pre-tax profit of RM6.98 million during the quarter, a RM10.52 million or 60.1% decrease from 2Q15 of RM17.50 million. The decrease in revenue is primarily due to lower contribution from its Properties and IBS wall panel divisions but partially offset by higher revenue from Power Cables, Construction and Vacation Club divisions. The decrease in pre-tax profit was due to lower contributions from Properties, Hospitality, Construction and IBS wall panel divisions with the exception of the Power Cables division.

The Properties division registered a revenue of RM59.60 million and pre-tax profit of RM0.27 million in 2Q16 compared to revenue of RM94.68 million and pre-tax profit of RM17.84 million in 2Q15. The reduction of RM35.08 million or 37.1% in revenue and RM17.57 million or 98.5% in pre-tax profit were mainly due to lesser property development projects in progress as some of the planned projects launches were delayed due to market conditions. During the current quarter, additional costs provided have also resulted in lower project margin on some of the on-going projects.

The Construction division registered a revenue of RM13.78 million and pre-tax profit of RM5.54 million in 2Q16 compared to revenue of RM8.91 million and pre-tax profit of RM8.58 million in 2Q15. The increase in revenue by RM4.87 million or 54.7% was mainly due to lower intra-group construction revenue. Despite a higher revenue, the pre-tax profit for the period under review is RM3.04 million or 35.4% lower than in 2Q15 due to lower profit margin contribution from the on-going projects.

The Power Cables division registered a strong revenue growth in 2Q16, an increase of RM29.18 million or 67.2% to RM72.59 million compared to RM43.41 million in 2Q15. In line with this, the pre-tax profit increased by RM4.14 million or 92.4% to RM8.62 million in 2Q16 as compared to RM4.48 million in 2Q15. The better performance is due to higher demand for its products from property, infrastructure and power supply sectors.

The IBS wall panel division recorded a revenue of RM9.10 million and pre-tax profit of RM1.92 million in 2Q16 compared to revenue of RM14.05 million and pre-tax profit of RM3.90 million in 2Q15. The decrease of RM4.95 million or 35.2% in revenue and RM1.98 million or 50.8% in pre-tax profit was mainly due to the weak demand from the property market coupled with the deferment of certain government projects.

The Hospitality division registered a revenue of RM26.91 million and pre-tax losses of RM4.07 million in 2Q16 compared to revenue of RM23.16 million and pre-tax losses of RM0.7 million in 2Q15. The revenue increase of RM3.75 million or 16.2% during the period was due to higher vacation club membership subscription rate and opening of the new hotel in Johor Bahru. Despite the higher revenue, the losses increased by RM3.37 million mainly due to low occupancy rate suffered by some of the resort hotels. In addition, the new hotel in Johor Bahru commenced operations in early 2016 and is still at its gestation period.

B1. Review of the Performance (Cont'd)

Current Year To Date ("6M16") compared with Preceding Year To Date ("6M15")

The Group recorded a revenue of RM374.32 million and pre-tax profit of RM19.55 million for the 6-months period ("6M16") compared to revenue of RM409.76 million and pre-tax profit of RM42.47 million in the corresponding 6-months period ended 30 June 2015 ("6M15"). The decrease of RM35.44 million or 8.6% in revenue was mainly attributed to lower revenue recorded in Properties and IBS wall panel divisions but partially offset by higher revenue in Power Cables and Hospitality divisions. The decrease of RM22.92 million or 54.0% in pre-tax profit is due to lower pre-tax profit recorded in Properties, Construction, IBS wall panel and Hotels and Resorts divisions.

The Properties division registered a revenue of RM139.40 million and pre-tax profit of RM11.63 million in 6M16 compared to revenue of RM216.46 million and pre-tax profit of RM37.11 million in 6M15. The reduction of RM77.06 million or 35.6% in revenue and RM25.48 million or 68.7% in pre-tax profit was mainly due to lesser property development projects in progress and deferment in launching of some projects due to lower market demand. During the period 6M16, provision for additional cost due to delay in some projects was made.

The Construction division registered a revenue of RM23.78 million and pre-tax profit of RM7.55 million in 6M16 compared to revenue of RM22.04 million and pre-tax profit of RM15.21 million in 6M15. Despite recording slightly higher revenue, the pre-tax profit for the period under review was RM7.66 million or 50.4% lower than in 6M15. The lower pre-tax profit during the period was due to lower profit margin contribution from the on-going projects and provision allowed for liquidated damages for certain projects.

The Power Cables division registered a revenue of RM133.36 million and pre-tax profit of RM17.06 million in 6M16 compared to revenue of RM95.90 million and pre-tax profit of RM9.57 million in 6M15. The revenue and pre-tax profit increased by RM37.46 million or 39.1% and RM7.49 million or 78.3% respectively, was mainly due to increased demand and better profit margin secured from property, infrastructure and power supply sectors during the period.

The IBS wall panel division recorded a revenue of RM17.81 million and pre-tax profit of RM3.62 million in 6M16 compared to revenue of RM27.04 million and pre-tax profit of RM7.98 million in 6M15. The decrease of RM9.23 million or 34.1% in revenue and RM4.36 million or 54.6% in pre-tax profit was mainly due to weak demand in the property market coupled with the deferment of certain government projects. The expansion of the factory capacity during the period under review increase the overall production overhead costs as the factory had not reached its optimum utilisation capacity.

The Hospitality division registered a revenue of RM58.21 million and pre-tax losses of RM7.61 million in 6M16 compared to revenue of RM47.51 million and pre-tax losses of RM4.69 million in 6M15. The revenue increased during the period of RM10.7 million or 22.5% was due to higher vacation club membership subscription rate and the opening of the new hotel in Johor Bahru. Despite the higher revenue, the losses increase by RM2.92 million due to low occupancy rate in some of the hotels.

B2. Material Changes in Quarterly Results

(Comparison of current quarter 2Q16 with immediate preceding quarter 1Q16)

The Group recorded revenue of RM183.11 million and pre-tax profit of RM6.98 million for the current quarter compared to revenue of RM191.21 million and pre-tax profit of RM12.57 million in the preceding quarter. The Group's revenue and pre-tax profit were lower due to weaker performance of the Properties and Hotel and Resorts divisions but partially offset by higher profits contributed by the Construction and Vacation Club divisions.

The Properties division registered a revenue of RM59.60 million and pre-tax profit of RM0.27 million for the current quarter compared to revenue of RM79.80 million and pre-tax profit of RM11.37 million in the preceding quarter. The decrease in revenue by RM20.2 million or 25.3% and pre-tax profit of RM11.10 million or 97.6% in the current quarter was due to lower progress billings and delay in construction progress in the existing projects. In addition, the pre-tax profit during the quarter was reduced by the provision for additional cost to complete certain projects.

The Construction division registered a revenue of RM13.78 million and pre-tax profit of RM5.54 million for the current quarter compared to revenue of RM10.00 million and pre-tax profit of RM2.01 million in the preceding quarter. The revenue increased by RM3.78 million, 37.8% higher than preceding quarter due to lower intra-group construction revenue during the quarter. The pre-tax profit increased by RM3.53 million or 175.6% in line with the increase in revenue. In addition, the results in 1Q16 was affected by the provision for liquidated damages made on certain projects.

The Power Cables division recorded a revenue of RM72.59 million and pre-tax profit of RM8.62 million for the current quarter compared to revenue of RM60.77 million and pre-tax profit of RM8.44 million in the preceding quarter. The higher revenue in the current quarter of RM11.82 million or 19.5% was mainly due to increased demand for the products in Malaysia and Vietnam markets. Despite the increase in revenue of 19.5%, the pre-tax profit improved slightly by RM0.18 million or 2.1% mainly due to lower gross profit margin for the Vietnam sales and provision made for doubtful debts amounted to RM0.40 million during the quarter.

The IBS wall panel division recorded a revenue of RM9.10 million and pre-tax profit of RM1.92 million for the current quarter compared to revenue of RM8.71 million and pre-tax profit of RM1.69 million in the preceding quarter. The revenue and pre-tax profit increased slightly by RM0.39 million or 4.5% and RM0.23 million or 13.6% respectively, mainly due to increase in demand from Singapore.

The Hospitality division recorded a revenue of RM26.91 million and pre-tax loss of RM4.07 million for the current quarter compared to revenue of RM31.30 million and pre-tax loss of RM3.54 million in the preceding quarter. The revenue decreased by RM4.39 million or 14.03% and the loss widened by RM0.53 million or 15% due to lower membership sales by the vacation club and low occupancy rates of the hotels.

B3. Commentary on current year prospects and progress on previously announced revenue or profit forecast

(a) Current year prospects
(Commentary for the remaining period to the end of the year)

The Property Development business should continue to see healthy support for our launched property projects with a steady stream of sales for the remainder of this year, but we do not expect any significant pick up in the pace of sales as the market is likely to remain subdued. The property investment business should continue to be supported by steady lease rental income from our commercial and retail tenants.

The Construction business has been able to grow its order books in the first half of this year, and we expect the order book to continue growing as we actively tender for more projects both internally and externally.

Our Industries division is expected to perform satisfactorily as the slowdown in IBS wall panel deliveries is offset by a strong performance by our Power Cables business. We expect the two prevailing trends that are affecting our IBS wall panel and Power Cables businesses to continue for the rest of the year.

The Hospitality division should perform better in the second half of this year as we enter into the annual peak tourist and holiday seasons.

The Board is of the view that the remainder of this year will be challenging for the Group in view of the subdued economic climate in Malaysia. However, the Board expects the Group to achieve satisfactory results for the remaining year.

(b) Progress and steps to achieve revenue or profit estimate, forecast, projection and internal targets previously announced

There were no revenue or profit forecast previously announced by the Company.

B4. Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced

There were no revenue or profit forecast previously announced by the Company.

B5. Profit forecast/profit guarantee previously announced

There were no profit forecast or profit guarantee previously issued by the Company.

B6. Taxation

	Current quarter ended 30.6.2016 RM'000	Cumulative year to date ended 30.6.2016 RM'000
Income tax expense		
- Malaysia		
- current year	**(4,915)**	**(11,524)**
- under-provision in prior year	**(695)**	**(715)**
Deferred tax expense		
- relating to origination and reversal of temporary differences	**3,344**	**5,988**
	(2,266)	**(6,251)**

The Group's effective tax rate for the current quarter and cumulative year to date was higher than the statutory tax rate due to losses in certain subsidiary companies that are not available for set-off against taxable profits in other subsidiary companies within the Group.

B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at the date of this report.

B8. Borrowings and debt securities as at the end of the reporting period

Total Group borrowings utilised as at 30 June 2016 are as follows:

	Foreign Currency '000	RM'000 Equivalent
Current		
- Secured		
- denominated in Ringgit Malaysia (RM)		**115,601**
- denominated in Australian Dollar (AUD)	**62,500**	**186,869**
- denominated in United States Dollar (USD)*	**1,440**	**5,791**
- Unsecured		
- denominated in Ringgit Malaysia (RM)		**13,370**
- denominated in Vietnamese Dong (VND)	**14,000,000**	**2,538**
		324,169
Non-current		
- Secured		
- denominated in Ringgit Malaysia (RM)		**86,296**
- denominated in United States Dollar (USD)*	**28,642**	**115,213**
		201,509
Total		**525,678**

* Borrowing in which cross currency interest rate swap contract have been entered into.

B9. Changes in material litigation

The Group was not engaged in any material litigation either as plaintiff or defendant and the Directors are not aware of any proceedings pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business operations of the Group.

B10. Dividends

(a) The Board of Directors has declared a single tier interim dividend of 2 sen per ordinary share in respect of the financial year ending 31 December 2016 (2015: N/A). The entitlement date to the interim dividend is fixed on 6 September 2016 and payment will be made on 23 September 2016.

(b) Total dividend for the current year to date is 2 sen per ordinary share.

B11. Earnings Per Share ("EPS") attributable to Owners of the Company

	Current quarter ended 30.6.2016	Comparative quarter ended 30.6.2015	**Current year to date ended 30.6.2016**	Preceding year to date ended 30.6.2015
(a) Basic earnings per share				
Profit attributable to Owners of the Company (RM'000)	**4,789**	N/A	**13,488**	N/A
Weighted average number of ordinary shares in issue ('000 shares)	**524,067**	N/A	**523,867**	N/A
Basic EPS (sen)	**0.91**	N/A	**2.57**	N/A
(b) Diluted earnings per share				
Profit attributable to Owners of the Company (RM'000)	**4,789**	N/A	**13,488**	N/A
Weighted average number of ordinary shares in issue ('000 shares)	**524,067**	N/A	**523,867**	N/A
Effect of dilution from assumed conversion of Warrants C ('000 shares)	**38,576**	N/A	**38,881**	N/A
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	**562,643**	N/A	**562,748**	N/A
Diluted EPS (sen)	**0.85**	N/A	**2.40**	N/A

B12. Auditors' report of preceding annual financial statements

The auditors' report of the Group’s preceding year's financial statements was not qualified.

B13. Items included in the Income Statements and Statements of Comprehensive Income

	Current quarter ended 30.6.2016 RM’000	Current year to date ended 30.6.2016 RM’000
Profit before taxation is arrived at after crediting/(charging) :		
Bad debts written off	**(56)**	**(56)**
Depreciation	**(6,038)**	**(11,857)**
Fair value gain arising from changes in fair value of agricultural produce	**4**	**109**
Fair value loss arising from changes in fair value of bearer plants	**(106)**	**(212)**
Impairment loss on:		
- goodwill on consolidation	**(178)**	**(355)**
- receivables and contract assets	**(167)**	**(352)**
Interest accretion of receivables	**207**	**(112)**
Interest expense	**(3,120)**	**(5,672)**
Interest income	**1,469**	**2,745**
Loss on disposal of property, plant and equipment	**(51)**	**(23)**
Property, plant and equipment written off	**(144)**	**(183)**
Reversal of impairment loss on receivables and contract assets	**104**	**104**
Unrealised gain on foreign exchange	**276**	**110**

Items for other comprehensive income are disclosed in the Statement of Comprehensive Income. There were no gain or loss on disposal of unquoted investments, allowance for and write off of inventories for the current year to date. There were no impairment of assets other than items disclosed above.

B14. Realised and unrealised profits

The breakdown of realised and unrealised retained profits of the Group disclosed below as at the reporting date pursuant to the directive issued by Bursa Malaysia Securities Berhad which prepared based on the Guidance on Special Matter No. 1: Determination of Realised and Unrealised Profits or Losses issued by the Malaysian Institute of Accountants is disclosed below:

	As at 30.6.2016	As at 31.12.2015
	RM'000	RM'000
Total retained profits of the Company and its subsidiary companies		
- Realised	**545,645**	551,963
- Unrealised	**27,558**	23,866
	573,203	575,829
Total share of retained profits from associated companies and a joint venture		
- Realised	**7,912**	8,029
- Unrealised	**1,063**	1,104
	8,975	9,133
Consolidation adjustments	**53,572**	50,402
Consolidated retained profits	**635,750**	635,364

The above disclosure is solely for complying with the disclosure requirements stipulated in the directive and should not be applied for any other purposes.

By Order of the Board

Chua Siew Chuan (MAICSA 0777689)
Yau Jye Yee (MAICSA 7059233)
Company Secretaries