

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2016**

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**

**A1. Basis of Preparation**

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in the Financial Reporting Standards (“FRS”) No. 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 September 2016. These explanatory notes attached to the interim financial statements 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 30 September 2016.

**A2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2016.

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

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

As announced by MASB on 28 October 2015, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 30 September 2019. The Group is currently assessing the possible financial impact that may arise from the adoption of MFRSs and the process is still ongoing.

**A3. Auditors' Report for the Financial Year Ended 30 September 2016**

The auditors' report on the financial statements for the financial year ended 30 September 2016 was not subject to any qualification.

**A4. Seasonality or Cyclical Factors**

The Group's operations during the financial period under review were not materially affected by any seasonal or cyclical factors.

**A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

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

**A6. Material Changes in Estimates of Amounts**

There were no changes in estimates that have had any material effect on the results for the current quarter and current financial year under review.

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**A7. Debts and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

**A8. Dividends Paid**

The company did not pay any dividend for the quarter under review.

**A9. Segmental Information**

Segmental information of the Group's business segments are based on the internal reporting structure presented by the management of the Company. The Group's business segments include property development and investment holding.

The information by geographical location is not presented as the Group's activities are carried out pre-dominantly in Malaysia.

Business Segment Analysis (RM'000)	Quarter and Year to date ended 31 December 2016				Quarter and Year to date ended 31 December 2015			
	Property Development	Manufacturing (*)	Investment Holdings and Others	Total	Property Development	Manufacturing (*)	Investment Holdings and Others	Total
<b>Continuing Operations</b>								
Revenue	63,638	-	164	<b>63,802</b>	16,055	4,747	1,456	<b>22,258</b>
Results from Operation	20,029	-	(1,269)	<b>18,760</b>	1,647	386	6,482	<b>8,515</b>
- Depreciation	(83)	-	(172)	<b>(255)</b>	(51)	(3)	(145)	<b>(199)</b>
- Finance Cost	(259)	-	(81)	<b>(340)</b>	-	-	(6)	<b>(6)</b>
Profit Before Tax	19,687	-	(1,522)	<b>18,165</b>	1,596	383	6,331	<b>8,310</b>
<b>Discontinuing Operations</b>								
Profit Before Tax from discontinued operations	-	-	-	-	2,840	-	215	<b>3,055</b>
<b>Total Profit Before Tax</b>	<b>19,687</b>	<b>-</b>	<b>(1,522)</b>	<b>18,165</b>	<b>4,436</b>	<b>383</b>	<b>6,546</b>	<b>11,365</b>

Note : (\*) Disposed of on 31 March 2016

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**A10. Valuation on Property, Plant and Equipment**

There was no valuation done on the Group's property, plant and equipment during the financial period under review.

**A11. Material Events Subsequent to the End of the Period**

There was no material event subsequent to the end of the current quarter up to the date of this report that have not been reflected in the interim financial statements

**A12. Changes in the Composition of the Group**

There were no changes in composition of the Group during the current quarter under review.

**A13. Changes in Contingent Liabilities or Contingent Assets**

There were no changes in contingent liabilities or contingent assets since the last audited financial position as at 30 September 2016.

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**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD**

**B1. Review of Performance**

**Quarterly and Financial Year-to-date Results**

The Group reported revenue and profit before tax of RM63.80million and RM18.17million respectively in the current quarter under review. There is a 187% increase in revenue whilst profit before tax more than doubled in the current quarter under review compared to revenue and profit before tax of RM22.26million and RM8.31 million respectively in the corresponding quarter of the previous year.

In the current quarter under review, the Group has five (5) on-going property development projects i.e. Suria Residence and The Forum 1 at Setia Alam; Bell Avenue, Jasper Square and The Olive in Sunsuria City. Over 41% of the Group's revenue was generated by the Group's flagship township development in Sunsuria City whilst the balance by Suria Residence and Forum 1.

**B2. Variation of Results against the Preceding Quarter**

The Group's current quarter revenue was RM63.80million compared to RM87.72million in the preceding quarter. The higher revenue in the preceding quarter was due to higher percentage of revenue recognition contributed by strong sales and certification of work done. The profit before tax for the current quarter was RM18.17million compared to RM34.08million in the preceding quarter, mainly attributed to bulk claims from the completion of structural works at The Forum 1 site and the recognition of dividend income from a former associate company.

**B3. Prospects**

The Olive, which is the Group's first residential development in Sunsuria City, has started selling in the first quarter of the financial year. This will be the first in a series of new properties launches of RM1.55billion this year. While the general market sentiment remains sluggish, the Group is cautiously optimistic that with the right product mix and value proposition, there will be a continuing demand for real estate assets, thus reaffirming the Group's expectation of another year of continued financial growth in revenue and profit.

**B4. Variance from Profit Forecast and Profit Guarantee**

Not applicable as there were no profit forecast and profit guarantee published.

**B5. Income tax expense**

The breakdown of the Malaysian income tax charge is as follows:

	Individual Quarter and Year To Date	
	31/12/2016	31/12/2015
	RM'000	RM'000
Current Taxation	5,588	1,945
Deferred Taxation	(1,615)	-
Provision based on current year's profit	<u>3,973</u>	<u>1,945</u>
Represented by :		
Continuing operations	3,973	1,893
Discontinued operations	-	52
Provision based on current year's profit	<u>3,973</u>	<u>1,945</u>

The effective tax rate of the Group for the current financial quarter and year-to-date is lower than the applicable statutory tax rate mainly due to over provision of deferred taxation in the previous financial year by a subsidiary.

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**B6. Corporate Proposals**

There were no corporate proposals announced by the Company that have not been completed as at 21 February 2017 (being the latest practicable date), which is not earlier than 7 days from the date of issuance of these Interim Financial Statements.

**B7. Group Borrowings**

	<b>As at 31/12/2016</b>	<b>As at 31/12/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Secured short term borrowings	<b>6,941</b>	2,616
Secured long term borrowings	<b>193,627</b>	48,846
Total	<b><u>200,568</u></b>	<u>51,462</u>
Represented by :		
Continuing Operations	<b>200,568</b>	51,462
Discontinued Operations	<b>-</b>	-
Total	<b><u>200,568</u></b>	<u>51,462</u>

There were no borrowings in foreign currency during the financial period under review.

**B8. Material Litigation**

There was no material litigation against the Group as at the reporting date.

**B9. Dividend Proposed**

There was no dividend proposed for the quarter under review.

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**B10. Earnings per share**

**(a) Basic earnings per ordinary share (Basic EPS)**

The basic EPS has been calculated by dividing the Group's net profit attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual quarter		Year to date	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to ordinary equity holders of the Company (RM'000)	10,634	9,406	10,634	9,406
Weighted average number of ordinary shares in issues ('000)	798,833	735,487	798,833	735,487
Basic EPS :				
- Continuing Operations (sen)	1.33	0.87	1.33	0.87
- Discontinued Operations (sen)	-	0.41	-	0.41
Total	<u>1.33</u>	<u>1.28</u>	<u>1.33</u>	<u>1.28</u>

**(b) Diluted earnings per ordinary share**

The potential conversion of warrants are anti-dilutive as their exercise prices are higher than the average market price of the Company's ordinary shares during the current and previous financial period. Accordingly, the exercise of warrants have been ignored in the calculation of dilutive earnings per share.

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**B11. Realised/Unrealised Retained Profits**

	<b>As at 31/12/2016 (Unaudited) RM'000</b>	<b>As at 30/09/2016 (Audited) RM'000</b>
Total retained profits of the Group:		
- Realised	124,860	108,727
- Unrealised	<u>(21,577)</u>	<u>(20,921)</u>
	<b>103,283</b>	<b>87,806</b>
Total share of (accumulated losses) from associate		
- Realised	<u>(277)</u>	<u>(277)</u>
Consolidation Adjustment	<u>(38,657)</u>	<u>(33,814)</u>
Total retained profits c/f	<u><b>64,349</b></u>	<u><b>53,715</b></u>

**B12. Notes to the Statement of Comprehensive Income**

<b>Description</b>	<b>Individual Quarter and Year to date 31/12/2016 RM'000</b>
Profit for the period is arrived at after crediting/(charging) :	
- Interest income	519
- Other income including investment income	168
- Interest expense	(340)
- Depreciation and amortisation	(255)

BY ORDER OF THE BOARD  
Secretary  
27 February 2017