

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2016

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 MAY 2016

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.05.2016 RM'000	Preceding Year Corresponding Quarter 31.05.2015 RM'000	Current Year To Date 31.05.2016 RM'000	Preceding Year Corresponding Period 31.05.2015 RM'000
Revenue	33,355	27,524	60,888	63,219
Cost of sales	(20,869)	(17,347)	(37,723)	(34,796)
Gross profit	<u>12,486</u>	<u>10,177</u>	<u>23,165</u>	<u>28,423</u>
Other income	824	1,352	2,469	2,752
Marketing and promotion expenses	(1,481)	(2,528)	(3,028)	(3,819)
Administrative expenses	(4,551)	(4,082)	(10,035)	(9,301)
Finance costs	(285)	(628)	(520)	(1,376)
Profit before tax	<u>6,993</u>	<u>4,291</u>	<u>12,051</u>	<u>16,679</u>
Tax expense	(2,297)	(1,250)	(4,263)	(5,065)
Profit for the period	<u>4,696</u>	<u>3,041</u>	<u>7,788</u>	<u>11,614</u>
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income for the period	<u><u>4,696</u></u>	<u><u>3,041</u></u>	<u><u>7,788</u></u>	<u><u>11,614</u></u>
Profit attributable to :				
Owners of the parent	<u><u>4,696</u></u>	<u><u>3,041</u></u>	<u><u>7,788</u></u>	<u><u>11,614</u></u>
Total comprehensive income attributable to :				
Owners of the parent	<u><u>4,696</u></u>	<u><u>3,041</u></u>	<u><u>7,788</u></u>	<u><u>11,614</u></u>
Basic earnings per ordinary share (sen)	<u><u>4.70</u></u>	<u><u>3.04</u></u>	<u><u>7.79</u></u>	<u><u>11.61</u></u>

(The Condensed Consolidated Statement of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2015 and the accompanying explanatory notes attached to this interim financial report)

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.05.2016 RM'000	Preceding Year Corresponding Quarter 31.05.2015 RM'000	Current Year To Date 31.05.2016 RM'000	Preceding Year Corresponding Period 31.05.2015 RM'000
Fair value gain on investment properties	(1,047)	(1,047)	(2,001)	(2,094)
Interest income	288	(186)	(339)	(451)
Other income	(65)	(119)	(129)	(207)
Interest expenses	285	628	520	1,376
Depreciation	335	208	669	474

Save as disclosed above and in the Condensed Consolidated Statement of Profit Or Loss And Other Comprehensive Income, the other items required by Bursa Malaysia Securities Berhad Main Market Listing Requirements, Chapter 9, Appendix 9B are not applicable to the Group.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2016

	(Unaudited) As At End Of Current Quarter 31.05.2016 RM'000	(Audited) As At Preceding Financial Year End 30.11.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,748	5,346
Investment properties	16,877	13,677
Land held for property development	83,188	82,946
Deferred tax assets	1,048	1,451
	<u>105,861</u>	<u>103,420</u>
Current assets		
Property development costs	177,572	163,402
Inventories	57,221	58,387
Trade and other receivables	59,792	61,474
Current tax assets	2,937	3,523
Cash and cash equivalents	11,147	10,883
	<u>308,669</u>	<u>297,669</u>
TOTAL ASSETS	<u><u>414,530</u></u>	<u><u>401,089</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	100,000	100,000
Retained profits	192,955	185,167
Share premium	124	124
Total equity	<u>293,079</u>	<u>285,291</u>
Non-current liabilities		
Borrowings	14,679	14,667
	<u>14,679</u>	<u>14,667</u>
Current liabilities		
Provision for liabilities	374	384
Trade and other payables	56,543	53,903
Borrowings	48,477	46,844
Current tax liabilities	1,378	-
	<u>106,772</u>	<u>101,131</u>
Total liabilities	<u>121,451</u>	<u>115,798</u>
TOTAL EQUITY AND LIABILITIES	<u><u>414,530</u></u>	<u><u>401,089</u></u>
Net assets per share attributable to owners of the parent (RM)	<u>2.93</u>	<u>2.85</u>

(The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2015 and the accompanying explanatory notes attached to this interim financial report)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 MAY 2016

The figures have not been audited.

	Current Year-To- Date 31.05.2016 RM'000	Preceding Corresponding Period 31.05.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,051	16,679
Adjustments for :-		
Fair value gain on investment properties	(2,001)	(2,094)
Depreciation of property, plant and equipment	669	474
Interest income	(339)	(451)
Interest expense	520	1,376
Operating profit before changes in working capital	<u>10,900</u>	<u>15,984</u>
Changes in working capital :		
Land held for development	(242)	(172)
Property development costs	(14,170)	(24,758)
Inventories	(33)	6,327
Trade and other receivables	1,754	19,971
Trade and other payables	2,631	(5,846)
Cash generated from operations	<u>840</u>	11,506
Tax paid	(2,682)	(9,359)
Tax refunded	785	-
Net cash (used in)/from operating activities	<u>(1,057)</u>	<u>2,147</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	244	370
Purchase of property, plant and equipment	(71)	(819)
Net cash from/(used in) investing activities	<u>173</u>	<u>(449)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	17,897	27,379
Interest paid	(496)	(748)
Repayment of borrowings	(16,578)	(10,481)
Repayment of finance lease creditors	(378)	(344)
Dividend paid	-	(10,000)
Net cash from financing activities	<u>445</u>	<u>5,806</u>
Net (decrease)/increase in cash and cash equivalents	(439)	7,504
Cash and cash equivalents at beginning of year	10,883	14,481
Cash and cash equivalents at end of period	<u>10,444</u>	<u>21,985</u>

(The Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2015 and the accompanying explanatory notes attached to this interim financial report)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR
THE SECOND QUARTER ENDED 31 MAY 2016**

The figures have not been audited.

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total equity RM'000
As at 1 December 2015	100,000	124	185,167	285,291
Profit for the financial period	-	-	7,788	7,788
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	7,788	7,788
As at 31 May 2016	100,000	124	192,955	293,079
As at 1 December 2014	100,000	124	177,009	277,133
Profit for the financial period	-	-	11,614	11,614
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	11,614	11,614
Transaction with owners				
Dividend paid	-	-	(10,000)	(10,000)
Total transaction with owners	-	-	(10,000)	(10,000)
As at 31 May 2015	100,000	124	178,623	278,747

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2015 and the accompanying explanatory notes attached to this interim financial report)

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2016
A1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with *FRS 134 : Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad*.

The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 30 November 2015. The explanatory notes attached to the unaudited 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 30 November 2015.

A2. Changes in Accounting Policies

On 8 September 2015, the Malaysian Accounting Standards Board ('MASB') announced that the effective date of MFRS 15 *Revenue from Contracts with Customers* will be deferred to annual periods beginning on or after 1 January 2018. As a result, the effective date for Transitioning Entities (TEs) to apply the Malaysian Financial Reporting Standards (MFRSs) will also be deferred to annual periods beginning on or after 1 January 2018.

Accordingly, as a transitioning entity as defined by the MASB, the Group has elected to continue to apply the FRS Framework up till its financial year ending 30 November 2018 and will adopt the following Standards of the MFRS Framework that were issued by the MASB during the financial year ending 30 November 2019.

The accounting policies and methods of computation adopted by the Group are consistent with those adopted in the preparation of the audited financial statements for the year ended 30 November 2015 except for the adoption of the following new/revised FRSs, amendments to FRSs, IC Interpretations and Amendments to Interpretations:

Effective for annual financial period beginning on or after 1 January 2016

<i>FRS 14 Regulatory Deferral Accounts</i>	1 January 2016
<i>Amendments to FRS 10 and FRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
<i>Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
<i>Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
<i>Amendments to FRS 127 Equity Method in Separate Financial Statements</i>	1 January 2016
<i>Amendments to FRSs Annual Improvements to 2012-2014 Cycle</i>	1 January 2016
<i>Amendments to FRS 101 Disclosure Initiative</i>	1 January 2016
<i>Amendments to FRS 10, FRS 12, and FRS 128 Investment Entities : Applying the Consolidation Exception</i>	1 January 2016

A2. Changes in Accounting Policies (continued)

The above Amendments to FRSs and IC Interpretation are expected to have no significant impact on the financial performance and position of the Group.

A3. Audit Report Of Preceding Annual Financial Statements

The auditor's report for the financial statements for the year ended 30 November 2015 was not subject to any qualification.

A4. Seasonality or Cyclical of Operations

The operations of the Group were not substantially affected by any seasonal or cyclical factors.

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

There were no unusual items for the current financial year to date.

A6. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that give rise to a material effect in the current interim period.

A7. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year to date.

A8. Dividends Paid

There were no payments of dividend during the current financial year to date.

A9. Segmental Information

The segment analysis for the current financial year to date is set out below: -

6 months period ended 31 May 2016	Property	Construction	Investment	Property	Total
	Development		Holding	Management	
	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue	60,880	-	-	416	61,296
Inter-segment revenue	-	-	-	(408)	(408)
Revenue from external customers	60,880	-	-	8	60,888
Interest Income	321	-	451	-	772
Finance costs	(519)	-	(434)	-	(953)
	(198)	-	17	-	(181)
Inter-segment income	-	-	(433)	-	(433)
Inter-segment finance	433	-	-	-	433
Net finance expense	235	-	(416)	-	(181)
Depreciation	621	-	48	-	669
Segment profit before income tax	12,913	(58)	(3,123)	(11)	9,721
Taxation	(4,263)	-	-	-	(4,263)
Segment profit after income tax	8,650	(58)	(3,123)	(11)	5,458

A9. Segmental Information (continued)

6 months period ended 31 May 2015	Property		Investment	Property	Total
	Development	Construction	Holding	Management	
	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue	63,219	-	-	412	63,631
Inter-segment revenue	-	-	-	(412)	(412)
Revenue from external customers	63,219	-	-	-	63,219
Interest Income	423	-	458	-	881
Finance costs	(1,378)	-	(428)	-	(1,806)
	(955)	-	30	-	(925)
Inter-segment income	-	-	(430)	-	(430)
Inter-segment finance	430	-	-	-	430
Net finance expenses	(525)	-	(400)	-	(925)
Depreciation	427	-	47	-	474
Segment profit before income tax	17,587	(55)	(822)	(40)	16,670
Taxation	(4,740)	-	(325)	-	(5,065)
Segment profit after income tax	12,847	(55)	(1,147)	(40)	11,605

Reconciliation of reportable segment profit or loss to the Group's corresponding amounts are as follows : -

	31.05.2016	31.05.2015
	RM'000	RM'000
Profit for the financial period		
Total profit for the reportable segment	9,721	16,670
Elimination of inter-segment profits	2,330	9
Profit before tax	12,051	16,679
Taxation	(4,263)	(5,065)
Profit for the financial period	7,788	11,614

Segmental reporting by geographical locations has not been presented as all the activities of the Group's operations are carried out in Malaysia only.

A10. Valuation of Property, Plant and Equipment

The valuations of the Group's property, plant and equipment have been brought forward without amendment from the latest audited annual financial statements.

Additional investment properties of the Group were recognised in the current financial quarter and are measured at fair value. The recognition of the said investment properties at fair value resulted in an additional fair value gain of RM1.047 million for the current quarter and RM2.001 million for the financial year to date.

A11. Material Events Subsequent to the end of the Interim Period

Save as disclosed below, there were no material events subsequent to the end of the interim period : -

i) Acceptance of new banking facility.

On 3rd June 2016, a wholly owned subsidiary, Country View Resources Sdn Bhd had accepted a Term Loan (TL) facility of RM20.0 million from CIMB Bank Berhad for working capital purposes.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial year to date.

A13. Changes in Contingent Assets or Contingent Liabilities

There were no contingent assets and contingent liabilities since the last annual reporting date.

A14. Commitments

There are no outstanding capital commitments as at the date of this report.

A15. Significant Related Party Transactions

Save as disclosed below, there were no related party transactions for the current financial year to date.

	Year to date 31.05.2016 RM '000
<i>Transactions with directors, major shareholders and persons connected with directors/major shareholders of the Company</i>	
i) Sale of development property to a Non-Independent Non-Executive Director/major shareholder and a person connected to an Executive Director/major shareholder of the Company	764.1
ii) Sale of development property to the Senior Independent Non-Executive Director of the Company	728.1
	1,492.2

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**B1. Review of Performance****a. Performance of the current quarter against the preceding year corresponding quarter**

The Group registered a revenue and profit before tax of RM33.4 million and RM7.0 million respectively for the current quarter under review as compared to the revenue and profit before tax of RM27.5 million and RM4.3 million respectively in the preceding year corresponding quarter.

Revenue and profit before tax which were mainly derived from the property development division increased by 21% and 63% respectively. Revenue and profit before tax for the current quarter increased due to the higher number of units sold and contribution from the three storey terrace houses that were sold in *Taman Nusa Sentral* as construction progressed.

b. Performance of the current financial year to date against the corresponding preceding financial year to date

For the current financial year to date, the Group recorded a revenue and profit before tax of RM60.9 million and RM12.1 million respectively as compared to the revenue and profit before tax of RM63.2 million and RM16.7 million respectively in the corresponding preceding year period.

Revenue and profit before tax which were mainly derived from the property development division decreased by 4% and 28% respectively. Despite having higher number of units of properties sold for the current financial year to date, revenue and profit before tax for the corresponding preceding financial year to date were higher due to the contribution from the sale of commercial land in the previous year.

B2. Material Changes in the Profit Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter

The Group recorded a profit before tax of RM7.0 million for the second quarter of the financial year ending 30 November 2016 as compared to the profit before tax of RM5.1 million for the immediate preceding quarter due to a higher number of units of properties sold in *Taman Nusa Sentral* together with higher contribution from the three storey terrace houses that were sold in *Taman Nusa Sentral* as construction progressed.

B3. Prospects Commentary

The Group is cautious of its prospects for the financial year ending 30 November 2016. This is in view of factors such as the impact of property cooling measures, stricter lending requirements by the financial institutions, the intensifying competition among developers and weak market sentiments arising from these factors.

The Group expects its revenue and profit to be driven by the three storey terrace houses, three storey shop offices and serviced apartments at *Taman Nusa Sentral*, Iskandar Puteri (formerly known as Nusajaya). The Group is also planning to launch its three storey cluster houses in *Taman Nusa Sentral* and industrial lots in *Taman Perindustrian SME Kulim*, Kedah in this financial year.

B4. Variance of Actual Profit from Forecast Profit

Not applicable as there was no profit forecast published by the Group.

B5. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.05.2016 RM'000	Preceding Year Corresponding Quarter 31.05.2015 RM'000	Current Year To Date 31.05.2016 RM'000	Preceding Year Corresponding Period 31.05.2015 RM'000
Current taxation	2,290	1,118	3,904	4,926
(Over)/Under provision for prior year	(44)	325	(44)	325
Deferred taxation	51	(193)	403	(186)
	2,297	1,250	4,263	5,065

The Group's effective tax rate for the quarter and financial year to date is higher than the statutory tax rate principally due to certain expenses that are not deductible for tax purposes.

B6. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter and financial year-to-date outside the ordinary course of the Group's business.

B7. Purchase/Disposal of Quoted Securities other than Securities in Existing Subsidiaries and Associated Companies

- (a) There were no purchases or disposal of quoted securities for the current quarter and financial year to date.
- (b) There were no investments in quoted securities for the current quarter and financial year to date.

B8. Status of Corporate Proposals

There were no outstanding corporate proposals for the current quarter and financial year to date.

B9. Group Borrowings

The Group's borrowings (all denominated in Malaysian currency) as at 31 May 2016 are as follows:-

	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total Borrowings RM'000
<i>Secured</i>			
Bank overdrafts	703	-	703
Bridging loans	34,996	2,981	37,977
Revolving credits	12,000	-	12,000
Term loans	-	9,984	9,984
Finance lease creditors	778	1,714	2,492
	48,477	14,679	63,156

B10. Derivative Financial Instruments

There were no outstanding derivative financial instruments for the current quarter and financial year-to-date.

B11. Changes in Material Litigation

There is no pending material litigation since the last audited annual reporting date up to 20th July 2016 being a date not earlier than 7 days from the date of issue of the quarterly report.

B12. Dividend

	Current Year To Date 31.05.2016 RM'000	Preceding Year Corresponding Period 31.05.2015 RM'000
First interim single tier dividend of 4 sen per ordinary share of RM1.00 each for the financial year ending 30 November 2016, declared on 26 July 2016 and payable on 25 August 2016 in respect of deposited securities in the record of depositors as at 9 August 2016	4,000	
Final single tier dividend of 7 sen per ordinary share of RM1.00 each for the financial year ended 30 November 2014, was paid on 12 May 2015	-	7,000
First interim single tier dividend of 3 sen per ordinary share of RM1.00 each for the financial year ending 30 November 2015, was paid on 29 May 2015	-	3,000
	4,000	10,000

B13. Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.05.2016 RM'000	Preceding Year Corresponding Quarter 31.05.2015 RM'000	Current Year To Date 31.05.2016 RM'000	Preceding Year Corresponding Period 31.05.2015 RM'000
Basic/Diluted earnings per share				
Profit for the period attributable to owners of the parent	<u>4,696</u>	<u>3,041</u>	<u>7,788</u>	<u>11,614</u>
Weighted number of ordinary shares in issue	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Basic earnings per share (sen)	<u>4.70</u>	<u>3.04</u>	<u>7.79</u>	<u>11.61</u>

The diluted earnings per share of the Group are the same as the basic earnings per ordinary share of the Group as the Company has no dilutive ordinary shares.

B14. Disclosure of Realised And Unrealised Profits/(Losses)

The following analysis is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (“MIA Guidance”) and the directive of Bursa Malaysia Securities Berhad.

	31.05.2016	28.02.2016
	RM '000	RM '000
Total retained profits of the Company and its subsidiaries :		
- Realised profits	181,563	177,864
- Unrealised profits	11,392	10,395
Total Group retained profits as per consolidated accounts	192,955	188,259