

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2017

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 MAY 2017

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.05.2017 RM'000	Preceding Year Corresponding Quarter 31.05.2016 RM'000	Current Year To Date 31.05.2017 RM'000	Preceding Year Corresponding Period 31.05.2016 RM'000
Revenue	24,913	33,355	55,188	60,888
Cost of sales	(14,909)	(20,869)	(33,826)	(37,723)
Gross profit	<u>10,004</u>	<u>12,486</u>	<u>21,362</u>	<u>23,165</u>
Other income	6,715	824	10,671	2,469
Marketing and promotion expenses	(960)	(1,481)	(2,742)	(3,028)
Administrative expenses	(4,616)	(4,551)	(11,367)	(10,035)
Finance costs	(750)	(285)	(1,337)	(520)
Profit before tax	<u>10,393</u>	<u>6,993</u>	<u>16,587</u>	<u>12,051</u>
Tax expense	(2,886)	(2,297)	(4,847)	(4,263)
Profit for the period	<u>7,507</u>	<u>4,696</u>	<u>11,740</u>	<u>7,788</u>
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income for the period	<u><u>7,507</u></u>	<u><u>4,696</u></u>	<u><u>11,740</u></u>	<u><u>7,788</u></u>
Profit attributable to :				
Owners of the parent	<u><u>7,507</u></u>	<u><u>4,696</u></u>	<u><u>11,740</u></u>	<u><u>7,788</u></u>
Total comprehensive income attributable to :				
Owners of the parent	<u><u>7,507</u></u>	<u><u>4,696</u></u>	<u><u>11,740</u></u>	<u><u>7,788</u></u>
Basic earnings per ordinary share (sen)	<u><u>7.51</u></u>	<u><u>4.70</u></u>	<u><u>11.74</u></u>	<u><u>7.79</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 2016 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 31.05.2017 RM'000	Preceding Year Corresponding Quarter 31.05.2016 RM'000	Current Year To Date 31.05.2017 RM'000	Preceding Year Corresponding Period 31.05.2016 RM'000
Fair value gain on investment properties	(6,434)	(1,047)	(9,997)	(2,001)
Interest income	(110)	288	(406)	(339)
Other income	(143)	(65)	(240)	(129)
Interest expenses	750	285	1,337	520
Depreciation	339	335	685	669
Gain on disposal of property, plant and equipment	(28)	-	(28)	-

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 2017

	(Unaudited) As At End Of Current Quarter 31.05.2017 RM'000	(Audited) As At Preceding Financial Year End 30.11.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,118	4,274
Investment properties	36,437	20,075
Land held for property development	83,183	83,183
Deferred tax assets	824	908
	124,562	108,440
Current assets		
Property development costs	112,365	100,784
Inventories	121,440	135,199
Trade and other receivables	81,694	74,823
Current tax assets	170	583
Cash and cash equivalents	5,653	11,693
	321,322	323,082
TOTAL ASSETS	445,884	431,522
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	100,124	100,000
Retained profits	212,822	201,082
Share premium	-	124
Total equity	312,946	301,206
Non-current liabilities		
Borrowings	30,399	30,690
	30,399	30,690
Current liabilities		
Provision for liabilities	374	374
Trade and other payables	77,835	61,945
Borrowings	20,958	36,095
Current tax liabilities	3,372	1,212
	102,539	99,626
Total liabilities	132,938	130,316
TOTAL EQUITY AND LIABILITIES	445,884	431,522
Net assets per share attributable to owners of the parent (RM)	3.13	3.01

(The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2016 and the accompanying explanatory notes attached to this interim financial report)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 MAY 2017

The figures have not been audited.

	Current Year-To- Date 31.05.2017 RM'000	Preceding Corresponding Period 31.05.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,587	12,051
Adjustments for :-		
Fair value gain on investment properties	(9,997)	(2,001)
Depreciation of property, plant and equipment	685	669
Gain on disposal of property, plant and equipment	(28)	-
Interest income	(406)	(339)
Interest expense	1,337	520
Operating profit before changes in working capital	<u>8,178</u>	<u>10,900</u>
Changes in working capital :		
Land held for development	-	(242)
Property development costs	(11,581)	(14,170)
Inventories	7,394	(33)
Trade and other receivables	(6,781)	1,754
Trade and other payables	15,891	2,631
Cash generated from/(used in) operations	<u>13,101</u>	<u>840</u>
Tax paid	(3,126)	(2,682)
Tax refunded	935	785
Net cash from/(used in) operating activities	<u>10,910</u>	<u>(1,057)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	316	244
Proceeds from disposal of property, plant and equipment	28	-
Purchase of property, plant and equipment	(92)	(71)
Net cash from investing activities	<u>252</u>	<u>173</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	5,026	17,897
Interest paid	(1,337)	(496)
Repayment of borrowings	(21,574)	(16,578)
Repayment of finance lease creditors	(418)	(378)
Net cash (used in)/from financing activities	<u>(18,303)</u>	<u>445</u>
Net decrease in cash and cash equivalents	(7,141)	(439)
Cash and cash equivalents at beginning of year	10,888	10,883
Cash and cash equivalents at end of period	<u>3,747</u>	<u>10,444</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 2016 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 2017

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 2016	100,000	124	201,082	301,206
Profit for the financial period	-	-	11,740	11,740
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	11,740	11,740
Effects from Companies Act 2016 *	124	(124)	-	-
As at 31 May 2017	100,124	-	212,822	312,946
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

* With the Companies Act 2016 (“New Act”) coming into effect on 31 January 2017, the credit standing in the share premium account of RM124,000 has been transferred into the share capital account. Pursuant to the subsection 618 (3) of the New Act, the Group may exercise the right to use the credit amounts being transferred from the share premium account within 24 months after the commencement of the New Act.

(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 2016 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 2017
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 2016. 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 2016.

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 2016 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 2016 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

On 30 June 2017, a final single tier dividend of 5 sen per ordinary share amounting to RM5,000,000 was paid in respect of financial year ended 30 November 2016.

A9. Segmental Information

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

6 months period ended 31 May 2017	Property Development RM'000	Investment Holding RM'000	Others RM'000	Total RM'000
Total revenue	55,149	-	364	55,513
Inter-segment revenue	-	-	(325)	(325)
Revenue from external customers	55,149	-	39	55,188
Interest Income	406	421	-	827
Finance costs	(1,277)	(481)	-	(1,758)
	(871)	(60)	-	(931)
Inter-segment income	-	(421)	-	(421)
Inter-segment finance	421	-	-	421
Net finance expense	(450)	(481)	-	(931)
Depreciation	638	47	-	685
Segment profit before income tax	17,557	(927)	(113)	16,517
Taxation	(4,847)	-	-	(4,847)
Segment profit after income tax	12,710	(927)	(113)	11,670

A9. Segmental Information (continued)

6 months period ended 31 May 2016	Property Development RM'000	Investment Holding RM'000	Others RM'000	Total 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 expenses	235	(416)	-	(181)
Depreciation	621	48	-	669
Segment profit before income tax	12,913	(3,123)	(69)	9,721
Taxation	(4,263)	-	-	(4,263)
Segment profit after income tax	8,650	(3,123)	(69)	5,458

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

	31.05.2017 RM'000	31.05.2016 RM'000
Profit for the financial period		
Total profit for the reportable segment	16,517	9,721
Elimination of inter-segment profits	70	2,330
Profit before tax	16,587	12,051
Taxation	(4,847)	(4,263)
Profit for the financial period	11,740	7,788

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 RM6.434 million for the current quarter and RM9.997 million for the financial year to date.

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

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

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

There were no related party transactions for the current financial year to date.

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 RM24.9 million and RM10.4 million respectively for the current quarter under review as compared to the revenue and profit before tax of RM33.4 million and RM7.0 million respectively in the preceding year corresponding quarter.

Revenue decreased by 25% whilst profit before tax increased by 49%. The revenue and profit before tax were mainly derived from the property development division. Revenue for the current quarter was lower as compared with the preceding year corresponding quarter due to the lower progress of work done that was recognised on the 3 storey terrace houses. The increase in the profit before tax was mainly derived from the 3 storey terrace houses, 3 storey cluster houses that were developed and sold and the fair value gain recognised in the current quarter from additional investment properties.

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 RM55.2 million and RM16.6 million respectively as compared to the revenue and profit before tax of RM60.9 million and RM12.1 million respectively in the corresponding preceding year period.

Revenue decreased by 9% whilst profit before tax increased by 37%. The revenue and profit before tax were mainly derived from property development division. Revenue was higher in the preceding financial year to date due to higher progress of work recognised for the 3 storey terrace houses and serviced apartments that were developed and sold. The increase in the profit before tax for the financial year to date was mainly derived from the 3 storey terrace houses, 3 storey cluster houses that were developed and sold and the fair value gain recognised from additional investment properties.

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 RM10.4 million for the second quarter of the financial year ending 31 May 2017 as compared to the profit before tax of RM6.2 million for the immediate preceding quarter due to a higher number of properties sold and the fair value gain from the additional investment properties recognised.

B3. Prospects Commentary

The Group is cautious of its prospects for the remaining quarters for the financial year ending 30 November 2017 in view of the uncertainties in the global economic environment, continued stringent lending requirements by the financial institutions, the intense competition among developers and weak market sentiments.

The Group expects its revenue and profit to be driven by the three storey terrace houses, three storey cluster houses, three storey shop offices and One Sentral Serviced Residence at *Taman Nusa Sentral*, Iskandar Puteri. The Group is also planning to launch further phases of the three storey terrace houses as well as the launch of its affordable homes under the Rumah Mampu Milik Johor (RMMJ) and Perumahan Komuniti Johor (PKJ) schemes in *Taman Nusa Sentral* 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 31.05.2017 RM'000	Preceding Year Corresponding Quarter 31.05.2016 RM'000	Current Year To Date 31.05.2017 RM'000	Preceding Year Corresponding Period 31.05.2016 RM'000
Current taxation	2,837	2,290	4,779	3,904
Over provision for prior year	(16)	(44)	(16)	(44)
Deferred taxation	65	51	84	403
	2,886	2,297	4,847	4,263

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 not in 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 2017 are as follows:-

	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total Borrowings RM'000
<i>Secured</i>			
Bank overdraft	1,906	-	1,906
Bridging loans	-	-	-
Revolving credits	17,000	-	17,000
Term loans	1,272	28,908	30,180
Finance lease creditors	780	1,491	2,271
	20,958	30,399	51,357

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 19th July 2017, being a date not earlier than 7 days from the date of issue of the quarterly report.

B12. Dividend

	Current Year To Date 31.05.2017 RM'000	Preceding Year Corresponding Period 31.05.2016 RM'000
Final single tier dividend of 5 sen per ordinary share for the financial year ended 30 November 2016, was paid on 30 June 2017	5,000	
First interim single tier dividend of 4 sen per ordinary share for the financial year ended 30 November 2016, declared on 26 July 2016 and paid on 25 August 2016		4,000
	5,000	4,000

B13. Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.05.2017 RM'000	Preceding Year Corresponding Quarter 31.05.2016 RM'000	Current Year To Date 31.05.2017 RM'000	Preceding Year Corresponding Period 31.05.2016 RM'000
Basic/Diluted earnings per share				
Profit for the period attributable to owners of the parent	<u>7,507</u>	<u>4,696</u>	<u>11,740</u>	<u>7,788</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>7.51</u>	<u>4.70</u>	<u>11.74</u>	<u>7.79</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.

	31.05.2017	28.02.2017
	RM '000	RM '000
Total retained profits of the Company and its subsidiaries :		
- Realised profits	186,999	185,884
- Unrealised profits	23,190	16,820
	210,189	202,704
Add : Consolidation adjustments	2,633	2,611
Total Group retained profits as per consolidated accounts	212,822	205,315