

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2017

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

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.08.2017 RM'000	Preceding Year Corresponding Quarter 31.08.2016 RM'000	Current Year To Date 31.08.2017 RM'000	Preceding Year Corresponding Period 31.08.2016 RM'000
Revenue	30,281	48,025	85,469	108,913
Cost of sales	(18,101)	(29,847)	(51,927)	(67,570)
Gross profit	<u>12,180</u>	<u>18,178</u>	<u>33,542</u>	<u>41,343</u>
Other income	3,890	290	14,561	2,759
Marketing and promotion expenses	(790)	(2,616)	(3,532)	(5,644)
Administrative expenses	(4,301)	(3,784)	(15,668)	(13,819)
Finance costs	(617)	(314)	(1,954)	(834)
Profit before tax	<u>10,362</u>	<u>11,754</u>	<u>26,949</u>	<u>23,805</u>
Tax expense	(3,173)	(2,868)	(8,020)	(7,131)
Profit for the period	<u>7,189</u>	<u>8,886</u>	<u>18,929</u>	<u>16,674</u>
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income for the period	<u><u>7,189</u></u>	<u><u>8,886</u></u>	<u><u>18,929</u></u>	<u><u>16,674</u></u>
Profit attributable to : Owners of the parent	<u><u>7,189</u></u>	<u><u>8,886</u></u>	<u><u>18,929</u></u>	<u><u>16,674</u></u>
Total comprehensive income attributable to : Owners of the parent	<u><u>7,189</u></u>	<u><u>8,886</u></u>	<u><u>18,929</u></u>	<u><u>16,674</u></u>
Basic earnings per ordinary share (sen)	<u><u>7.19</u></u>	<u><u>8.89</u></u>	<u><u>18.93</u></u>	<u><u>16.67</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 31.08.2017 RM'000	Preceding Year Corresponding Quarter 31.08.2016 RM'000	Current Year To Date 31.08.2017 RM'000	Preceding Year Corresponding Period 31.08.2016 RM'000
Fair value gain on investment properties	(3,490)	-	(13,487)	(2,001)
Interest income	(147)	(144)	(553)	(483)
Other income	(253)	(146)	(493)	(275)
Interest expenses	617	314	1,954	834
Depreciation	392	340	1,077	1,009
Gain on disposal of property, plant and equipment	-	-	(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 AUGUST 2017

	(Unaudited) As At End Of Current Quarter 31.08.2017 RM'000	(Audited) As At Preceding Financial Year End 30.11.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,096	4,274
Investment properties	41,337	20,075
Land held for property development	83,183	83,183
Deferred tax assets	804	908
	129,420	108,440
Current assets		
Property development costs	112,218	100,784
Inventories	114,408	135,199
Trade and other receivables	60,188	74,823
Current tax assets	24	583
Cash and cash equivalents	13,894	11,693
	300,732	323,082
TOTAL ASSETS	430,152	431,522
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	100,124	100,000
Retained profits	215,011	201,082
Share premium	-	124
Total equity	315,135	301,206
Non-current liabilities		
Borrowings	30,055	30,690
	30,055	30,690
Current liabilities		
Provision for liabilities	374	374
Trade and other payables	61,792	61,945
Borrowings	20,954	36,095
Current tax liabilities	1,842	1,212
	84,962	99,626
Total liabilities	115,017	130,316
TOTAL EQUITY AND LIABILITIES	430,152	431,522
Net assets per share attributable to owners of the parent (RM)	3.15	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 THIRD QUARTER ENDED 31 AUGUST 2017

The figures have not been audited.

	Current Year-To- Date 31.08.2017 RM'000	Preceding Corresponding Period 31.08.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	26,949	23,805
Adjustments for :-		
Fair value gain on investment properties	(13,487)	(2,001)
Depreciation of property, plant and equipment	1,077	1,009
Gain on disposal of property, plant and equipment	(28)	-
Interest income	(553)	(483)
Interest expense	1,954	834
Operating profit before changes in working capital	<u>15,912</u>	<u>23,164</u>
Changes in working capital :		
Land held for development	-	(244)
Property development costs	(11,434)	55,628
Inventories	13,015	(78,328)
Trade and other receivables	14,839	5,612
Trade and other payables	(153)	7,342
Cash generated from operations	<u>32,179</u>	<u>13,174</u>
Tax paid	(7,812)	(4,202)
Tax refunded	1,084	785
Net cash from operating activities	<u>25,451</u>	<u>9,757</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	350	298
Placement of deposits	-	(11,034)
Proceeds from disposal of property, plant and equipment	28	-
Purchase of property, plant and equipment	(462)	(273)
Net cash used in investing activities	<u>(84)</u>	<u>(11,009)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	5,441	49,498
Interest paid	(1,954)	(834)
Repayment of borrowings	(22,194)	(39,877)
Repayment of finance lease creditors	(639)	(570)
Dividend paid	(5,000)	(4,000)
Net cash (used in)/from financing activities	<u>(24,346)</u>	<u>4,217</u>
Net increase in cash and cash equivalents	1,021	2,965
Cash and cash equivalents at beginning of year	10,888	10,883
Cash and cash equivalents at end of period	<u>11,909</u>	<u>13,848</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 AUGUST 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	-	-	18,929	18,929
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	18,929	18,929
Transaction with owners				
Dividend paid	-	-	(5,000)	(5,000)
Total transaction with owners	-	-	(5,000)	(5,000)
Effects from Companies Act 2016 *	124	(124)	-	-
As at 31 August 2017	100,124	-	215,011	315,135
As at 1 December 2015	100,000	124	185,167	285,291
Profit for the financial period	-	-	16,674	16,674
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	16,674	16,674
Transaction with owners				
Dividend paid	-	-	(4,000)	(4,000)
Total transaction with owners	-	-	(4,000)	(4,000)
As at 31 August 2016	100,000	124	197,841	297,965

* 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 AUGUST 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: -

9 months period ended 31 August 2017	Property Development RM'000	Investment Holding RM'000	Others RM'000	Total RM'000
Total revenue	85,344	5,020	608	90,972
Inter-segment revenue	-	(5,020)	(483)	(5,503)
Revenue from external customers	85,344	-	125	85,469
Interest Income	552	647	-	1,199
Finance costs	(1,860)	(740)	-	(2,600)
	(1,308)	(93)	-	(1,401)
Inter-segment income	-	(646)	-	(646)
Inter-segment finance	646	-	-	646
Net finance expense	(662)	(739)	-	(1,401)
Depreciation	1,006	71	-	1,077
Segment profit before income tax	28,175	3,776	(94)	31,857
Taxation	(8,020)	-	-	(8,020)
Segment profit after income tax	20,155	3,776	(94)	23,837

A9. Segmental Information (continued)

9 months period ended 31 August 2016	Property	Investment	Others	Total
	Development	Holding		
	RM'000	RM'000	RM'000	RM'000
Total revenue	108,867	-	609	109,476
Inter-segment revenue	-	-	(563)	(563)
Revenue from external customers	108,867	-	46	108,913
Interest Income	464	683	-	1,147
Finance costs	(825)	(673)	-	(1,498)
	(361)	10	-	(351)
Inter-segment income	-	(664)	-	(664)
Inter-segment finance	664	-	-	664
Net finance expenses	303	(654)	-	(351)
Depreciation	938	71	-	1,009
Segment profit before income tax	25,046	(3,489)	(89)	21,468
Taxation	(7,131)	-	-	(7,131)
Segment profit after income tax	17,915	(3,489)	(89)	14,337

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

	31.08.2017	31.08.2016
Profit for the financial period	RM'000	RM'000
Total profit for the reportable segment	31,857	21,468
Elimination of inter-segment profits	(4,908)	2,337
Profit before tax	26,949	23,805
Taxation	(8,020)	(7,131)
Profit for the financial period	18,929	16,674

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 RM3.490 million for the current quarter and RM13.487 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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter 31.08.2017 RM'000	Preceding Year Corresponding Quarter 31.08.2016 RM'000	Changes %	Current Year To Date 31.08.2017 RM'000	Preceding Year Corresponding Period 31.08.2016 RM'000	Changes %
Revenue	30,281	48,025	(37)	85,469	108,913	(22)
Gross profit	12,180	18,178	(33)	33,542	41,343	(19)
Profit before interest and tax	10,979	12,068	(9)	28,903	24,639	17
Profit before tax	10,362	11,754	(12)	26,949	23,805	13
Profit net of tax	7,189	8,886	(19)	18,929	16,674	14
Profit attributable to : Owners of the parent	7,189	8,886	(19)	18,929	16,674	14

a. Performance of the current quarter against the preceding year corresponding quarter

The Group registered a revenue and profit before tax of RM30.3 million and RM10.4 million respectively for the current quarter under review as compared to the revenue and profit before tax of RM48.0 million and RM11.8 million respectively in the preceding year corresponding quarter.

Revenue and profit before tax decreased by 37% and 12% respectively. The revenue and profit before tax were mainly derived from the property development division. The revenue and profit before tax for the preceding year corresponding quarter was higher due to the contribution from the progress of work for the 3 storey terrace houses. The 3 storey terrace houses were completed with Certificate of Completion and Compliance (CCC) on 4th June 2017.

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 RM85.5 million and RM26.9 million respectively as compared to the revenue and profit before tax of RM108.9 million and RM23.8 million respectively in the corresponding preceding year period.

Revenue decreased by 22% whilst profit before tax increased by 13%. 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 current financial year to date was mainly derived from the 3 storey cluster houses that were developed and sold and the fair value gain recognised from additional investment properties. The Group achieved a higher number of units sold for the year to date.

B2. Material Changes in the Quarterly Results for the Current Quarter as compared with the Immediate Preceding Quarter

	Current Year Quarter 31.08.2017 RM'000	Immediate Preceding Quarter 31.05.2017 RM'000	Changes %
Revenue	30,281	24,913	22
Gross profit	12,180	10,004	22
Profit before interest and tax	10,979	11,143	(1)
Profit before tax	10,362	10,393	(0)
Profit net of tax	7,189	7,507	(4)
Profit attributable to owners of the Company	7,189	7,507	(4)

For the third quarter ended 31 August 2017, the Group recorded a revenue and gross profit of RM30.3 million and RM12.2 million respectively as compared to the revenue and gross profit of RM24.9 million and RM10 million respectively in the immediate preceding quarter. The revenue and gross profit for the current quarter was higher due to an overall higher number of properties sold.

The Group recorded profit before tax of RM10.4 million in both the third and second quarters of the financial year 2017.

B3. Prospects Commentary

The Group is cautious of its prospects for the remaining quarter for the financial year ending 30 November 2017 in view of 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 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 31.08.2017 RM'000	Preceding Year Corresponding Quarter 31.08.2016 RM'000	Current Year To Date 31.08.2017 RM'000	Preceding Year Corresponding Period 31.08.2016 RM'000
Current taxation	2,915	2,955	7,694	6,859
Under/(over) provision for prior year	238	(135)	222	(179)
Deferred taxation	20	48	104	451
	3,173	2,868	8,020	7,131

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 August 2017 and as at 31 August 2016 are as follows:-

As at 31 August 2017	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total Borrowings RM'000
<i>Secured</i>			
Bank overdraft	1,985	-	1,985
Bridging loans	-	-	-
Revolving credits	17,000	-	17,000
Term loans	1,272	28,703	29,975
Finance lease creditors	697	1,352	2,049
	<u>20,954</u>	<u>30,055</u>	<u>51,009</u>
As at 31 August 2016	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total Borrowings RM'000
<i>Secured</i>			
Bank overdraft	1,142	-	1,142
Bridging loans	26,245	-	26,245
Revolving credits	12,000	-	12,000
Term loans	-	30,018	30,018
Finance lease creditors	780	1,520	2,300
	<u>40,167</u>	<u>31,538</u>	<u>71,705</u>

B9. Group Borrowings (continued)

The weighted average interest rate at the end of the reporting period are at follows:

	As at 31.08.2017 %	As at 31.08.2016 %
Floating interest rate	6.89	7.15
Fixed interest rate	4.83	4.84

The Group had made full settlement for the bridging loans in May 2017.

There were no bank borrowings denominated in foreign currencies as at the reporting date.

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 18th October 2017, being a date not earlier than 7 days from the date of issue of the quarterly report.

B12. Dividend

	Current Year To Date 31.08.2017 RM'000	Preceding Year Corresponding Period 31.08.2016 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, was paid on 25 August 2016		4,000
	5,000	4,000

B13. Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.08.2017 RM'000	Preceding Year Corresponding Quarter 31.08.2016 RM'000	Current Year To Date 31.08.2017 RM'000	Preceding Year Corresponding Period 31.08.2016 RM'000
Basic/Diluted earnings per share				
Profit for the period attributable to owners of the parent	7,189	8,886	18,929	16,674
Weighted number of ordinary shares in issue	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	7.19	8.89	18.93	16.67

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.

	31.08.2017 RM '000	31.05.2017 RM '000
Total retained profits of the Company and its subsidiaries :		
- Realised profits	185,657	186,999
- Unrealised profits	26,679	23,190
	212,336	210,189
Add : Consolidation adjustments	2,675	2,633
Total Group retained profits as per consolidated accounts	215,011	212,822