

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2022

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 MAY 2022

The figures have not been audited.

	3 MONTHS ENDED		6 MONTHS ENDED	
	31.05.2022	31.05.2021	31.05.2022	31.05.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	14,570	22,086	26,933	40,759
Cost of sales	(10,090)	(15,335)	(18,735)	(27,885)
Gross profit	4,480	6,751	8,198	12,874
Other income	1,436	1,489	4,108	4,755
Marketing and promotion expenses	(290)	(207)	(903)	(742)
Administrative expenses	(4,384)	(3,443)	(8,820)	(8,311)
Finance costs	(759)	(647)	(1,401)	(1,179)
Profit before tax	483	3,943	1,182	7,397
Tax expense	(49)	(1,473)	(123)	(2,510)
Profit for the period	434	2,470	1,059	4,887
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income for the period	434	2,470	1,059	4,887
Profit attributable to :				
Owners of the parent	434	2,470	1,059	4,887
Total comprehensive income attributable to :				
Owners of the parent	434	2,470	1,059	4,887
Basic earnings per ordinary share (sen)	0.43	2.47	1.06	4.89

(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 2021 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:

	3 MONTHS ENDED		6 MONTHS ENDED	
	31.05.2022	31.05.2021	31.05.2022	31.05.2021
	RM'000	RM'000	RM'000	RM'000
Fair value gain on investment properties	(1,081)	(1,189)	(3,492)	(4,189)
Interest income	(59)	(84)	(86)	(124)
Other income	(296)	(216)	(530)	(405)
Interest expenses	759	647	1,401	1,179
Depreciation and amortisation	323	389	668	774
Gain on disposal of property, plant and equipment	-	-	-	(37)

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 2022

	(Unaudited) As At End Of Financial Year 31.05.2022 RM'000	(Audited) As At Financial Year End 30.11.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,689	1,652
Right-of-use assets	1,297	1,721
Investment properties	58,805	54,684
Inventories - land held for property development	54,592	461,511
Deferred tax assets	824	946
	<u>117,207</u>	<u>520,514</u>
Current assets		
Inventories	519,316	110,708
Trade and other receivables	9,809	16,084
Contract assets	15,013	-
Current tax assets	857	15
Cash and bank balances	3,037	20,317
	<u>548,032</u>	<u>147,124</u>
TOTAL ASSETS	<u><u>665,239</u></u>	<u><u>667,638</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	100,124	100,124
Reserve	313,007	314,948
Total equity	<u>413,131</u>	<u>415,072</u>
Non-current liabilities		
Borrowings	186,151	183,016
Lease liabilities	411	778
	<u>186,562</u>	<u>183,794</u>
Current liabilities		
Contract liabilities	-	30
Trade and other payables	38,462	46,583
Borrowings	26,307	21,181
Lease liabilities	777	862
Current tax liabilities	-	116
	<u>65,546</u>	<u>68,772</u>
Total liabilities	<u>252,108</u>	<u>252,566</u>
TOTAL EQUITY AND LIABILITIES	<u><u>665,239</u></u>	<u><u>667,638</u></u>
Net assets per share attributable to owners of the parent (RM)	<u>4.13</u>	<u>4.15</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 2021 and the accompanying explanatory notes attached to this interim financial report)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 MAY 2022

The figures have not been audited.

	Current Year-To- Date 31.05.2022 RM'000	Preceding Corresponding Period 31.05.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,182	7,397
Adjustments for :-		
Net fair value gain on investment properties	(3,492)	(4,384)
Depreciation of :		
- property, plant and equipment	244	309
- right-of-use assets	424	465
(Gain)/Loss on disposal of:		
- property, plant and equipment	-	(37)
- investment properties	-	380
Interest income	(86)	(124)
Interest expense	1,401	1,179
Operating (loss)/profit before changes in working capital	(327)	5,185
Changes in working capital :		
Inventories	(2,317)	14,530
Trade and other receivables	6,275	(515)
Contract assets/contract liabilities	(15,043)	(5,704)
Trade and other payables	(8,121)	4,643
Cash (used in)/generated from operations	(19,533)	18,139
Tax paid	(958)	(2,240)
Net cash (used in)/from operating activities	(20,491)	15,899
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	86	124
Additions to inventories - land held for property development	-	(13,423)
Proceeds from disposal of:		
- property, plant and equipment	-	37
- investment properties	-	6,420
Purchase of :		
- property, plant and equipment	(281)	(68)
- Right-of-use assets	-	(106)
Net cash used in investing activities	(195)	(7,016)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	9,898	4,462
Interest paid	(1,366)	(1,126)
Repayment of borrowings	(5,652)	(25,830)
Repayment of lease liabilities	(487)	(478)
Dividend paid	(3,000)	-
Net cash used in financing activities	(607)	(22,972)
Net decrease in cash and cash equivalents	(21,293)	(14,089)
Cash and cash equivalents at beginning of year	8,417	6,096
Cash and cash equivalents at end of period	(12,876)	(7,993)

The Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2021 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 2022

The figures have not been audited.

	Share capital RM'000	<u>Distributable</u> Retained earnings RM'000	Total equity RM'000
As at 1 December 2021	100,124	314,948	415,072
Profit for the financial period	-	1,059	1,059
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	1,059	1,059
Transaction with owners			
Dividend paid	-	(3,000)	(3,000)
Total transaction with owners	-	(3,000)	(3,000)
As at 31 May 2022	100,124	313,007	413,131
As at 1 December 2020	100,124	311,617	411,741
Effects from adoption of Agenda Decision	-	(1,283)	(1,283)
As at 1 December 2020	100,124	310,334	410,458
Profit for the financial period	-	4,887	4,887
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	4,887	4,887
Transaction with owners			
Dividend paid	-	-	-
Total transaction with owners	-	-	-
As at 31 May 2021	100,124	315,221	415,345

(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 2021 and the accompanying explanatory notes attached to this interim financial report)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2022

A1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 : *Interim Financial Reporting* and *Paragraph 9.22 of Main Market 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 2021. 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 2021.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 30 November 2021, except for the following, amendments to MFRSs which are relevant and effective for annual periods beginning on or after 1 January 2021:

Effective for annual financial period beginning on or after 1 January 2021

Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16) 1 January 2021

The above Amendments to MFRSs 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 2021 was not subject to any qualification.

A4. Seasonality or Cyclicity 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 25 March 2022, a second interim single tier dividend of 3 sen per ordinary share amounting to RM3,000,000 was paid in respect of financial year ended 30 November 2021.

A9. Segmental Information

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

6 months period ended 31 May 2022	Property Development RM'000	Investment Holding RM'000	Others RM'000	Total RM'000
Total revenue	26,566	-	475	27,041
Inter-segment revenue	-	-	(108)	(108)
Revenue from external customers	26,566	-	367	26,933
Interest Income	81	-	5	86
Finance costs	(1,345)	(56)	-	(1,401)
	(1,264)	(56)	5	(1,315)
Inter-segment income	-	-	-	-
Inter-segment finance	-	-	-	-
Net finance expense	(1,264)	(56)	5	(1,315)
Depreciation	558	110	-	668
Segment profit before income tax	1,493	(202)	66	1,357
Taxation	(123)	-	-	(123)
Segment profit after income tax	1,370	(202)	66	1,234

A9. Segmental Information (continued)

6 months period ended 31 May 2021	Property Development RM'000	Investment Holding RM'000	Others RM'000	Total RM'000
Total revenue	40,439	22	385	40,846
Inter-segment revenue	-	-	(87)	(87)
Revenue from external customers	40,439	22	298	40,759
Interest Income	121	-	3	124
Finance costs	(1,120)	(59)	-	(1,179)
	(999)	(59)	3	(1,055)
Inter-segment income	-	-	-	-
Inter-segment finance	-	-	-	-
Net finance expenses	(999)	(59)	3	(1,055)
Depreciation	663	111	-	774
Segment profit before income tax	7,352	9	11	7,372
Taxation	(2,510)	-	-	(2,510)
Segment profit after income tax	4,842	9	11	4,862

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

Profit for the financial period	31.05.2022 RM'000	31.05.2021 RM'000
Total profit for the reportable segment	1,357	7,372
Elimination of inter-segment profits	(175)	25
Profit before tax	1,182	7,397
Taxation	(123)	(2,510)
Profit for the financial period	1,059	4,887

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

The Group recognised fair value adjustments on its investment properties amounting to fair value gain of RM1.1 million for the current quarter and RM3.5 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

	3 MONTHS ENDED			6 MONTHS ENDED		
	31.05.2022 RM'000	31.05.2021 RM'000	Changes %	31.05.2022 RM'000	31.05.2021 RM'000	Changes %
Revenue	14,570	22,086	(34)	26,933	40,759	(34)
Gross profit	4,480	6,751	(34)	8,198	12,874	(36)
Profit before interest and tax	1,242	4,590	(73)	2,583	8,576	(70)
Profit before tax	483	3,943	(88)	1,182	7,397	(84)
Profit after tax	434	2,470	(82)	1,059	4,887	(78)
Profit attributable to :						
Owners of the parent	434	2,470	(82)	1,059	4,887	(78)

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

The Group registered a revenue and profit before tax of RM14.6 million and RM0.5 million respectively for the current quarter under review as compared to the revenue and profit before tax of RM22.1 million and RM3.9 million respectively in the preceding year corresponding quarter.

The revenue and profit before tax were mainly derived from the property development division.

Revenue and profit before tax decreased by 34% and 88% respectively as compared to the preceding year corresponding quarter. The revenue and profit before tax for the current year quarter were mainly derived from the sales of its new development, the *Aurora Resort Villas (ARVs)* at *Aurora Sentral*. Despite the good sales of the ARVs, the revenue and profit before tax for the current year quarter had declined mainly due to low percentage of recognition as it is still in its early stage of construction.

At the same time, there was no revenue and profit contribution from the 3 storey semi-detached houses in the current quarter as compared with the preceding year corresponding quarter as we had completed the 3 storey semi-detached houses with Certificate of Completion and Compliance (CCC) in November 2021 and there were no sales of 3 storey semi-detached houses in the current quarter.

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 RM26.9 million and RM1.2 million respectively as compared to the revenue and profit before tax of RM40.8 million and RM7.4 million respectively in the corresponding preceding year period.

The revenue and profit before tax were mainly derived from the property development division.

Revenue and profit before tax decreased by 34% and 84% respectively in the current financial year to date as compared to the preceding year corresponding period. Despite the good sales of its new development, the ARVs at *Aurora Sentral*, revenue and profit before tax decreased mainly due to lower percentage of recognition as it is still in its early stage of construction.

At the same time, there was lower revenue and profit contribution from the properties in *Taman Nusa Sentral* in the current financial year to date as compared with the preceding year corresponding period. Meanwhile, a lower fair value gain recognised on investment properties for the current financial year to date had also caused the profit before tax for the year to date to decline further.

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

	Current Year Quarter 31.05.2022 RM'000	Immediate Preceding Quarter 28.02.2022 RM'000	Changes %
Revenue	14,570	12,363	18
Gross profit	4,480	3,718	20
Profit before interest and tax	1,242	1,341	(7)
Profit before tax	483	699	(31)
Profit after tax	434	625	(31)
Profit attributable to owners of the parent	434	625	(31)

For the second quarter ended 31 May 2022, the Group recorded a revenue and profit before tax of RM14.6 million and RM0.5 million respectively as compared to the revenue and profit before tax of RM12.4 million and RM0.7 million respectively in the immediate preceding quarter.

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

Revenue increased by 18% whilst profit before tax for the current quarter decreased by 31%. The revenue for the current quarter increased mainly due to a higher number of properties that were sold under its new development, the ARVs at *Aurora Sentral*. Profit before tax declined slightly mainly due to lower fair value gain recognized in the current quarter.

B3. Prospects Commentary

The current financial year 2022 (FY2022) is expected to remain challenging with the lingering effects of the Covid-19 global pandemic, the uncertainties resulting from the Russia-Ukraine war, rising inflation and interest rates. The re-opening of the borders between Johor and Singapore since 1st April 2022 by the respective governments has largely been beneficial and will provide the necessary catalyst to the economy of Johor.

Our Group will continue to monitor both global and local developments closely to remain proactive and vigilant in mitigating any potential impacts to the businesses of the Group.

The Group expects its revenue and performance for the financial year ending 30 November 2022 to be derived from the three storey cluster houses, three storey terrace houses (superlink XL), three storey shop offices, One Sentral Serviced Residence and the three storey semi detached houses at *Taman Nusa Sentral*, Iskandar Puteri, Johor as well as the new development of *Aurora Resort Villas* (ARVs) in *Aurora Sentral*, Iskandar Puteri, Johor.

The Group is also planning to launch the further phase of the affordable homes under the Rumah Mampu Milik Johor (RMMJ) scheme in *Taman Nusa Sentral* in FY2022 which is expected to contribute to the revenue and financial performance of the Group for FY2022.

B4. Variance of Actual Profit from Forecast Profit

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

B5. Taxation

	3 MONTHS ENDED		6 MONTHS ENDED	
	31.05.2022 RM'000	31.05.2021 RM'000	31.05.2022 RM'000	31.05.2021 RM'000
Current taxation	-	1,086	-	1,964
Under provision for prior year	-	331	-	331
Deferred taxation	49	56	123	215
	<u>49</u>	<u>1,473</u>	<u>123</u>	<u>2,510</u>

The Group's effective tax rate for the current financial year is lower than the statutory tax rate principally due to certain income that are not taxable.

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 2022 and 31 May 2021 are as follows:-

As at 31 May 2022	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total Borrowings RM'000
<i>Secured</i>			
Bank overdraft	15,914	-	15,914
Revolving credits	-	22,000	22,000
Term loans	10,393	164,151	174,544
	<u>26,307</u>	<u>186,151</u>	<u>212,458</u>

As at 31 May 2021	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total Borrowings RM'000
<i>Secured</i>			
Bank overdraft	17,057	-	17,057
Revolving credits	-	22,000	22,000
Term loans	2,000	168,649	170,649
	<u>19,057</u>	<u>190,649</u>	<u>209,706</u>

B9. Group Borrowings (continued)

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

	As at 31.05.2022 %	As at 31.05.2021 %
Floating interest rate	5.39	5.36
Fixed interest rate	4.61	4.45

The total borrowings for the Group had increased as at 31 May 2022 due to drawdown on the term loan facility.

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 20 July 2022, being a date not earlier than 7 days from the date of issue of the quarterly report.

B12. Dividend

	Current Year To Date 31.05.2022 RM'000	Preceding Year Corresponding Period 31.05.2021 RM'000
First interim single tier dividend of 3 sen per ordinary share for the financial year ended 30 November 2022, declared on 26 July 2022 and payable on 26 September 2022, in respect of deposited securities based on the record of depositors as at 1 September 2022.	3,000	
Second interim single tier dividend of 3 sen per ordinary share for the financial year ended 30 November 2021, declared on 25 January 2022 and paid on 25 March 2022	3,000	-
First interim single tier dividend of 2 sen per ordinary share for the financial year ended 30 November 2021, declared on 28 April 2021 and paid on 7 July 2021	-	2,000
	6,000	2,000

B13. Earnings Per Share

	3 MONTHS ENDED		6 MONTHS ENDED	
	31.05.22	31.05.21	31.05.22	31.05.21
	RM'000	RM'000	RM'000	RM'000
Basic/Diluted earnings per share				
Profit for the period attributable to owners of the parent	434	2,470	1,059	4,887
Weighted number of ordinary shares in issue	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	0.43	2.47	1.06	4.89

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.