

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2016

NOTES TO THE FINANCIAL STATEMENTS

A1 Accounting Policies and Basis of Preparation

The interim financial report is unaudited and is prepared in accordance with Financial Reporting Standard (“FRS”) 134 Interim Financial Reporting and Paragraph 9.22 of Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”).

The interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2015 and the accompanying explanatory notes attached to the interim financial statements.

The explanatory notes 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 2015.

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the Audited Financial Statements for the financial year ended 30 September 2015 except for the changes in accounting policies and presentation resulting from the adoption of new and revised FRSs and amendments to FRSs that are effective for the financial periods beginning on or after 1 October 2015.

The Group has not adopted the following new FRSs and amendments to FRSs issued by Malaysian Accounting Standards Board (“MASB”):

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

FRS 10, 12 and 128	Consolidation Financial Statements; Disclosure of Interests in Other Entities; and Investments in Associates and Joint Ventures: Investment Entities – Applying the Consolidation Exception
FRS 11	Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations
FRS 14	Regulatory Deferral Accounts
FRS 101	Presentation of Financial Statements: Disclosure Initiative
FRS 116	Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation
FRS 138	Intangible Assets: Clarification of Acceptable Methods of Amortisation
Annual Improvements to FRSs 2012-2014 Cycle issued in November 2014	

Effective for annual financial periods beginning on or after 1 January 2017

FRS 107	Statement of Cash Flows: Disclosure Initiative
FRS 112	Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

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A1 Accounting Policies and Basis of Preparation (cont'd)

The Group has not adopted the following new FRSs and amendments to FRSs issued by Malaysian Accounting Standards Board ("MASB") (cont'd):

Effective for annual financial periods beginning on or after 1 January 2018

FRS 9	Financial Instruments [International Financial Reporting Standards ("IFRS") 9 issued by International Accounting Standards Board ("IASB") in July 2014]
Amendments to FRS 7	Financial Instruments - Disclosures: Mandatory effective date of FRS 9 and transitional disclosures

FRS 11, 12, 14, 138 and Annual Improvements to FRSs 2012-2104 Cycle are not applicable to the Group's existing operations.

Save and except for the possible impact of FRS 9 in the initial period of initial application which cannot be determined at present, the adoption of the rest of the above applicable pronouncements will have no material impact on the Group.

Convergence of FRSs with IFRSs

On 19 November 2011, MASB issued a new approved accounting framework comprising Malaysian Financial Reporting Standards ("MFRS") which are in line with IFRS issued by IASB.

The MFRS Framework is to be applied by all Non-Private Entities for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and MFRS 15 Revenue from Contracts with Customers for Construction of Real Estate, including its parent, significant investor and venture ("Transitioning Entities").

Transitional Entities were allowed to defer adoption of the MFRS Framework until their annual financial periods beginning on or after 1 January 2018.

The Group falls within the scope of Transitional Entities and has opted to defer adoption of the MFRS Framework. Accordingly, the Group will be required to prepare consolidated financial statements using the MFRS Framework in its first MFRS financial statements for its financial year ending 30 September 2019. In presenting its first MFRS financial statements, the Group will be required to restate comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made retrospectively against opening retained profits.

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 30 September 2015 was not subject to any qualification.

A3 Seasonality or Cyclicity of Operations

The operations of the property development segment were not subjected to seasonal or cyclical factors. As for the leisure and hospitality segment, its operations normally peak during major festivities, and public and school holiday seasons.

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A4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow for the current financial year to-date.

A5 Changes in Estimates

There were no changes in estimates of amounts reported in a prior financial quarter of the current financial year or a prior financial year, which have material impact on the current financial year to-date.

A6 Changes in Debt and Equity Securities

On 1 August 2016, the Company issued 5,000,000 ordinary shares of RM1 each on the exercise of warrants pursuant to the Deed Poll of 27 March 2014.

Save for the above, there were no issuances, cancellations, repurchases, resales and repayments of debt and equity during the current financial year to-date.

A7 Dividends Paid

Dividends paid by the Company during the current financial quarter and year to-date were as follows:

- (a) An interim single-tier dividend of 1 sen per ordinary share in respect of the financial year ended 30 September 2015 amounting to RM4,841,111 was paid on 8 January 2016.
- (b) A final single-tier dividend of 1 sen per ordinary share in respect of the financial year ended 30 September 2015 amounting to RM4,841,111 was paid on 16 June 2016.

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A8 Segmental Information

The Group has identified property development, leisure and hospitality and others as operating segments. These segments are monitored and strategic decisions are made on the basis of adjusted segment results.

Segment results for the current financial year to-date were as follows:

	Property Development	Leisure and Hospitality	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External	113,214	38,646	-	-	151,860
Inter-segment	-	1,762	-	(1,762)	-
	113,214	40,408	-	(1,762)	151,860
Results					
Segment profit/(loss)	26,099	2,103	(2,221)	2,092	28,073
Finance income	121	-	200	-	321
Finance costs	(2,590)	(2,048)	(576)	-	(5,215)
Profit/(loss) before taxation	23,630	54	(2,597)	2,092	23,179
Taxation	(6,646)	515	145	-	(5,986)
Profit/(loss) for the period	16,984	569	(2,452)	2,092	17,193

A9 Material Events Subsequent to the End of the Current Financial Quarter

Save for the new shares issued as disclosed in Note A6, there were no material events subsequent to the end of the current financial quarter which have not been reflected in the interim financial statements.

A10 Changes in the Composition of the Group

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

A11 Contingent Assets and Contingent Liabilities

There were no material changes to the contingent assets and contingent liabilities of the Group since the end of the prior financial year.

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A12 Capital Commitments

The Group's capital commitments at the end of current financial quarter were as follows:

	RM'000
Amount authorised and contracted for	68,990
Amount authorised but not contracted for	-

A13 Significant Related Party Transactions

The Group's significant related party transactions during the current financial year to-date were as follows:

	RM'000
Rental paid to companies in which certain directors have interests	277
Rental paid to persons connected to a director	45
Sales to a company in which certain directors have interests	836
Tax consulting fee paid to a company in which a person connected to a director has interest	90
Sales of properties to persons connected to a director	3,190

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B1 Review of Performance

For current financial quarter, the Group's revenue increased by 24.0% to RM56.9 million from that of RM45.9 million in the preceding year's corresponding financial quarter. This increase was mainly due to the new development projects in Morib, Selangor and Samariang, Sarawak.

As a consequence of the increased revenue, the Group's profit before taxation ["PBT"] also increased by 45.4% to RM6.4 million as compared to RM4.4 million in the preceding year's corresponding quarter.

B2 Comparison with Immediate Preceding Quarter's Results

The above new projects caused the revenue of the Group during the current financial quarter to be 18.8% higher that of the preceding financial quarter.

Despite the increase in revenue, the current financial quarter's PBT of the Group of RM6.4 million was more or less the same as that of the preceding financial quarter. This decline in margin was due to the Group's competitive pricing for its new projects in the face of the current slowdown in the property market.

B3 Commentary on Prospects

The Group's core strength is in building affordable homes. The sales for the new projects as described in Note B1 were very encouraging. These projects together with the planned launches in the pipeline should augur well for the Group's property development division for the rest of the current financial year.

As for leisure and hospitality division of the Group, its operations are expected to continue to be challenging in the current economic climate. Nevertheless, the Group will continue its efforts to enhance this division operating and cost efficiencies.

B4 Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax with profit forecast and shortfall in profit guarantee are not applicable.

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B5 Taxation

	Current Year Quarter RM'000	Current Year To-Date RM'000
Current income tax	2,167	6,550
Deferred taxation	(474)	(564)
	1,693	5,986
Effective income tax rate	26.3%	25.8%

The Group's effective income tax rates are higher than the applicable statutory income tax rate of 24% due to the non-deductibility of certain expenses for tax purposes and losses incurred by certain subsidiaries which were not available to be set-off against taxable profits in the other subsidiaries.

B6 Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as of 16 August 2016.

B7 Borrowings and Debt Securities

The Group's borrowings, all of which were secured and denominated in RM as at 30 June 2016 were as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Bankers' acceptances	17,751	-	17,751,376
Bridging loan	9,376	-	9,376
Bank overdrafts	25,795	-	25,795
Finance lease liabilities	877	511	1,388
Term loans	2,945	209,752	212,697
	56,744	210,263	267,007

B8 Changes in Material Litigation

The Group has no material litigation as of 16 August 2016.

B9 Dividends Payable

No dividend has been declared or recommended for the current financial quarter and year to-date.

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B10 Earnings Per Share

(i) Basic earnings per share

The basic earnings per ordinary share for a financial period is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period concerned.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2016	Preceding Year Quarter 30/06/2015	Current Year To-Date 30/06/2016	Preceding Year To-Date 30/06/2015
Profit attributable to owners of the Company (RM'000)	4,746	4,683	17,205	19,212
Weighted average number of ordinary shares in issue ('000)	484,111	467,600	484,111	460,080
Basic earnings per share (sen)	0.98	1.00	3.55	4.18

(ii) Diluted earnings per share

The diluted earnings per ordinary share for a financial period is calculated by dividing the profit attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding and the assumed conversion of warrants outstanding during and as of the end of the financial period concerned respectively.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2016	Preceding Year Quarter 30/06/2015	Current Year To-Date 30/06/2016	Preceding Year To-Date 30/06/2015
Profit attributable to owners of the Company (RM'000)	4,746	4,683	17,205	19,212
Weighted average number of ordinary shares in issue ('000)	486,794	473,374	493,589	471,900
Diluted earnings per share (sen)	0.98	0.99	3.49	4.07

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B11 Profit Before Tax

Finance income, other income, finance costs, and amortisation and depreciation have been disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The following items which were not disclosed are not applicable.

- a) Allowance and write off of receivables;
- b) Allowance and write off of inventories;
- c) Gain or loss on disposal of quoted or unquoted investments or properties;
- d) Impairment of assets;
- e) Foreign exchange gain or loss;
- f) Gain or loss on derivatives; and
- g) Exceptional items (with details).

B12 Supplementary Information Disclosed Pursuant to Listing Requirements

The breakdown of retained profits of the Group as at the reporting dates into realised and unrealised profits is as follows:

	As at 30/06/2016 RM'000	As at 30/06/2015 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	132,440	119,802
Unrealised	59,023	46,370
Consolidation adjustments	(17,710)	(13,843)
Total retained profits of the Group	173,753	152,329

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to the Listing Requirements*, issued by the Malaysian Institute of Accountants.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

By order of the Board

Datuk Tan Leh Kiah
Company Secretary

23 August 2016