A Explanatory Notes in compliance with Financial Reporting Standards ("FRS") 134, Interim Financial Reporting

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. These explanatory notes attached to the interim financial statements 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 year ended 31 December 2014.

A2. Changes in Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in the consolidated financial statements for the financial year ended 31 December 2014, except for the adoption of the following new/revised FRSs and amendment to FRSs:

On 1 January 2015, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2015.

1 July 2014

Amendments to FRSs Annual Improvements to FRSs 2010-2012 Cycle
Amendments to FRSs Annual Improvements to FRSs 2011-2013 Cycle
Amendments to FRS 119 Defined Benefit Plans: Employee Contributions

Adoption of the above amended standards did not have any material effect on the financial performance or position of the Group.

The Group has not adopted the following standards and interpretations that have been issued and not yet effective:

1 January 2016

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to FRSs	Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 101	Disclosure Initiative
Amendment to FRS 119	Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendment to FRS 134	Annual Improvements to FRSs 2012-2014 Cycle

1 January 2018

FRS 9	Financial Instruments

A2. Changes in Accounting Policies (Cont'd)

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework that is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture (MFRS 141)* and IC Interpretation 15 *Agreements for Construction of Real Estate (IC 15)*, including its parent, significant investor and venturer (herein called "Transitioning Entities").

On 8 September 2015, MASB allowed Transitioning Entities to defer adoption of the MFRS framework to annual periods beginning on or after 1 January 2018. The Group falls within the scope of Transitioning Entities and has opted to defer the adoption of MFRS framework for the financial periods as allowed.

A3. Qualification of Financial Statements

The auditors' report for the preceding audited financial statements was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's operations were not materially affected by any seasonal or cyclical factors.

A5. Nature and Amount of Unusual Items

There were no unusual items for the current financial quarter.

A6. Nature and Amount of Changes in Estimates

There were no changes in estimates of amounts in the prior financial years that have a material effect in the current quarter.

A7. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter other than the following:-

During the current quarter, the Company repurchased 275,000 of its own ordinary shares of RM0.25 each from the open market for a total consideration of RM238,810 at an average price of RM0.87 per ordinary share. During the quarter to date, a total of 385,502 shares purchased back were held as treasury shares with a total cost of RM376,881. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965 in Malaysia.

A8. Dividend Paid

During the financial period ended 30 September 2015, a total of 3,869,398 treasury shares have been distributed to the entitled shareholders in relation to the Share Dividend and has been subsequently credited into the entitled depositorsôsecurities accounts on 3 August 2015.

Other than the above Share Dividend, there was no dividend proposed for the quarter under review.

A9. Segmental Information

The Company and its subsidiaries are principally engaged in construction, property development and investment holding.

The Company has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

(i) Construction

Securing and carrying out construction contracts.

(ii) Property development

Development of residential and commercial properties.

Other operating segments that do not constitute a reportable segment comprise investment holding.

A9. Segmental Information (Cont'd)

The following table provides an analysis of the Groupφs revenue, results, assets, liabilities and other information by segment:

9 months ended 30 September 2015	**Construction RM'000**	**Property Development RM'000**	**Other RM'000**	**Total RM'000**
Segment Revenue				
Total revenue	227,551	62,925	3,938	294,414
Inter segment revenue	(64,858)	-	(3,938)	(68,796)
Revenue from external customers	162,693	62,925	-	225,618
Interest income	456	158	55	669
Finance cost	(3,417)	(4,892)	-	(8,309)
Net finance expense	(2,961)	(4,734)	55	(7,640)
Segment profit/(loss) before taxation	**(11,315)**	**8,402**	**(3,016)**	**(5,929)**
Share of profit of an associate, net of tax	224	-	-	224
Share of loss of a joint venture, net of tax	-	-	(5)	(5)
Taxation	2,443	(6,807)	176	(4,188)
Other material non-cash item:				
- Depreciation	(7,801)	(416)	(301)	(8,518)
Additions to non-current assets other than financial instruments and deferred tax assets	5,911	9,184	31,127	46,222
Segment assets	**660,449**	**581,985**	**276,416**	**1,518,850**
Segment liabilities	**489,085**	**540,976**	**78,551**	**1,108,612**

A9. Segmental Information (Cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by segment: (cont'd)

9 months ended 30 September 2014	Construction RM'000	Property Development RM'000	Other RM'000	Total RM'000
Segment Revenue				
Total revenue	314,740	162,212	-	476,952
Inter segment revenue	(64,856)	-	-	(64,856)
Revenue from external customers	249,884	162,212	-	412,096
Interest income	414	554	290	1,258
Finance cost	(2,368)	(1,447)	-	(3,815)
Net finance expense	(1,954)	(893)	290	(2,557)
Segment profit/(loss) before taxation	**29,371**	**53,528**	**(4,366)**	**78,533**
Share of profit of an associate, net of tax	61	-	-	61
Taxation	(8,133)	(15,105)	32	(23,206)
Other material non-cash item:				
- Depreciation	(3,320)	(439)	(32)	(3,791)
Additions to non-current assets other than financial instruments and deferred tax assets	20,079	27,059	7,532	54,670
Segment assets	**564,147**	**480,440**	**192,620**	**1,237,207**
Segment liabilities	**390,747**	**402,537**	**12,497**	**805,781**

Reconciliations of reportable segment revenues and profit or loss to the corresponding amounts of the Group are as follows:

	As at 30 Sept 15 RM'000	As at 30 Sept 14 RM'000
Revenue		
Total revenue for reportable segments	294,414	476,952
Elimination of inter-segmental revenues	(68,796)	(64,856)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	225,618	412,096
Profit for the financial period		
Total profit or loss for reportable segments	(5,929)	78,533
Share of profit of an accosiate, net of tax	224	61
Share of loss of a joint venture, net of tax	(5)	-
Elimination of consolidation adjustments	(2,806)	(298)
(Loss)/Profit before tax	(8,516)	78,296
Tax expense	(4,188)	(23,206)
(Loss)/Profit for the financial period of the Group per consolidated statement of profit or loss and other comprehensive income	(12,704)	55,090

A9. Segmental Information (Cont'd)

Reconciliations of reportable segment revenues and profit or loss to the corresponding amounts of the Group are as follows:

	As at 30 Sept 15 RM'000	As at 30 Sept 14 RM'000
Assets		
Total assets for reportable segments	1,518,850	1,237,207
Elimination of investment in subsidiaries and consolidation adjustments	(76,701)	(76,669)
Elimination on inter-segment balances	(499,555)	(360,866)
Total assets of the Group per consolidated statement of financial position	942,594	799,672
Liabilities		
Total liabilities for reportable segments	1,108,612	805,781
Elimination of consolidation adjustments	1,794	1,794
Elimination on inter-segment balances	(493,758)	(355,960)
Total liabilitiess of the Group per consolidated statement of financial position	616,648	451,615

A10. Valuation of Property, Plant and Equipment

There is no valuation of property, plant and equipment performed in the current quarter.

A11. Acquisition/Disposal of Property, Plant and Equipment

There was no material acquisition or disposal of property, plant and equipment during the current quarter.

A12. Material Subsequent Event

There were no material events subsequent to the end of the current quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A13. Changes in the Composition of the Group

There were no changes to the composition of the Group for the current financial quarter under review.

A14. Capital Commitment

	As at 30 Sept 15 RM'000	As at 31 Dec 14 RM'000
Contracted but not provided for:		
- Land held for property development	-	17,154
- Freehold land held under development	68,800	77,000
	68,800	94,154

A15. Contingent Liabilities

Details of contingent liabilities of the Group are as follows:

	As at 30 Sept 15 RM'000	As at 31 Dec 14 RM'000
Bank guarantees given by financial institutions in respect of construction and property projects	104,084	135,796

B Explanatory Notes in Compliance with listing Requirements of the Bursa Malaysia

B1. Review of Performance

Performance of current quarter against the preceding year corresponding quarter

For the current quarter under review, the Group recorded revenue of RM34.35 million and loss after tax and non-controlling interests of RM21.94 million as compared to revenue of RM133.27 million and profit after tax and non-controlling interests of RM15.15 million respectively in preceding quarter ended 30 September 2014.

Construction segment:

This segment reported a much lower revenue of RM43.23 million in 3Q2015 compared to RM97.40 million in the same quarter last year (before eliminating inter-segment sales). It recorded a pre-tax loss of RM14.67 million compared to a profit before tax of RM10.21 million the previous year corresponding period.

The revenue was lower as some of the existing projects were completed or close to completion during the quarter under review as compared to the preceding year corresponding quarter. The lower revenue correspondingly resulted in lower overall performance for the construction division. The losses incurred during the current quarter under review were mainly due to the recognition of foreseeable losses arising from the Tropicana Metropark-Paloma project. This was a result of issues pertaining to piling works for the project. As a prudent measure, the Group decided to provide fully for the losses and at the same time pursue measures to recover these losses from the sub-contractor involved in the project through negotiations or legal means. The Group will update the outcome of these measures pursued in due course.

Property development segment:

This segment reported a much lower revenue of RM6.46 million in 3Q2015 compared to RM54.47 million in the same quarter last year. It recorded a pre-tax loss of RM7.61 million compared to a profit before tax of RM17.34 million the previous year corresponding period.

In the comparative period, the Group's property development division had 3 on-going developments, namely, The Peak (serviced apartments in Jalan Temenggong, Johor Bahru), Permas Centro (shop offices in Permas Jaya, Johor Bahru) and "The Avenue" (shop offices located in Kinrara Uptown, Puchong). "The Avenue" was completed in November 2014 thus it no longer contributes to the current quarter's performance. In addition, as part of the Group's on-going process improvement measures, a proactive step was taken whereby sales which were uncertain were not recognized which resulted in sales cancellations in some cases. This was further compounded with sales cancellation arising from buyers' failure to secure end-financing as a result of mortgage loan tightening policies by financial institutions. All these factors resulted in a negative impact on the performance for the current period.

On 3 September, 2015, the Group announced its election to terminate the proposed acquisition of a piece of industrial land located in Sungai Lalang, Daerah Ulu Langat, which is in the vicinity of Semenyih. The termination arose because the vendor had breached its obligation not to encumber the Property. The group, being prudent had written off approximately RM797,000 being pre-development expenses incurred on this land in the current quarter under review. We have to date, filed in the Writ of Summons and Statement of Claim against the vendor to recover all payments made which include these costs incurred by the Group.

B2. Material Changes in the Result for the Current Quarter Compared With the Results for the Preceding Quarter

For the current quarter under review, the Group recorded revenue of RM34.35 million and loss after tax and non-controlling interests of RM21.94 million as compared to revenue of RM85.88 million and profit after tax and non-controlling interests of RM5.44 million respectively in the immediate preceding quarter.

The Group recorded a loss before tax of RM24.0 million in the current quarter as compared to profit before tax of RM7.66 million in the preceding quarter, mainly due lower revenue recorded for the current quarter from both divisions coupled with the recognition of foreseeable loss for Tropicana Metropark-Paloma project and the cancellation of sales from the property development segment. For the property development division, the Group has also written off deferred tax assets (DTA) for a loss making subsidiary amounting to RM3.53 million in the current quarter. The de-recognition of the deferred tax is only temporary as development projects to be launched will enable the recognition of these DTA in future periods.

B3. Prospects

The Board of Directors is confident that the prospect of the Group in the final quarter of the financial year remains positive.

On the Property Development front, the Group expects to complete the Permas Centro (shop offices in Permas Jaya, Johor Bahru) by the end of this year. The construction work is targeted to complete by end of 2015, ahead of its scheduled completion in September 2016. Sales have been very encouraging where the Group expects all the units to be fully sold by end of December 2015.

On 16 March 2015, the Group entered into a Joint Venture Agreement with Suria Capital Holdings Berhad ("Suria Capital") for a mixed development in Kota Kinabalu, Sabah known as One Jesselton Waterfront. This land is part of the new Kota Kinabalu waterfront and is now one of the most prime land in Kota Kinabalu. The Group has agreed with Suria Capital that the development will have a minimum Net Sales Value (NSV) of RM1.1 billion but both parties will use their best endeavors to increase the NSV to RM1.8 billion. This project is progressing as expected and is expected to contribute both revenue and profits to both its Construction and Property Development division in financial year 2016.

The other project that the Group is currently embarking on, the Provision of Accommodation on Base-Camp Concept complete with necessary facilities for Petronas Chemicals Fertiliser Sabah Sdn Bhd in Sipitang, Sabah is also progressing on schedule and it is nearing completion, targeted to be completed by end December 2015. This project is expected to provide the Group with recurring income commencing in financial year 2016.

On another note, an associate company of the Group, Kreatif Sinar Gabungan Sdn Bhd is now awaiting for the Letter of Award to undertake from the State Government of Pahang for the Proposed Development of Pusat Pentadbiran Sultan Ahmad Shah (PPSAS) in Kuantan. The Group is expected to undertake a significant portion of the construction works for PPSAS once the project has been awarded by the State Government of Pahang.

Upcoming project launches include The Altium and The LINQ, located in the fast-growing area of Damansara Perdana and Lestari Perdana which is targeted to be launched in financial year 2016, subject to prevailing market conditions.

With the upcoming construction contracts as well as exciting new property launches, the Group while exercising caution over the sluggish economy, remains optimistic that its transformation plan coupled with added focus on improving efficiency and cost structure will result in stronger performance in the future.

B4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate in any public document.

B5. Items included in the Statements of Comprehensive Income include:

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 15 RM'000	30 Sept 14 RM'000	30 Sept 15 RM'000	30 Sept 14 RM'000
Interest income	164	257	669	1,258
Other income	463	207	1,464	481
Interest expense (excluding interest capitalised)	(3,065)	(1,279)	(8,309)	(3,815)
Depreciation and amortisation	(3,101)	(1,596)	(8,518)	(3,791)
Provision for and write off of receivables	*	*	*	*
Provision for and write off of inventories	*	*	*	*
Property, plant and equipment written off	(4)	(21)	(7)	(22)
Gain on disposal of property, plant and equipment	(27)	192	144	192
Gain on disposal of investment property	*	*	*	*
Goodwill written off	*	*	*	*
Foreign exchange gain or loss	*	*	*	*
Gain or loss on derivatives	*	*	*	*
Exceptional items	*	*	*	*

* There were no such reportable items as required by Bursa Securities in the current quarter and cumulative quarter to date.

B6. Taxation

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 15 RM'000	30 Sept 14 RM'000	30 Sept 15 RM'000	30 Sept 14 RM'000
Current taxation				
- Current year	(1,449)	7,602	5,530	23,194
- Prior years	(828)	-	(1,163)	165
	(2,277)	7,602	4,367	23,359
Deferred taxation				
- Current year	(2,799)	145	(3,495)	(1,194)
- Prior years	3,669	538	3,315	1,041
	870	683	(179)	(153)
	(1,407)	8,285	4,188	23,206

The Group effective tax rate for the cumulative quarter is higher than the statutory tax rate mainly due non-allowable expenses for tax deduction and non-recognition of deferred tax assets of a loss making subsidiary amounting to RM3.53 million.

The deferred tax assets written off is only temporary and will be recognised and utilised against the taxable profits when the subsidiary starts to have taxable profits in the future, which will then results in lower effective tax rate.

B7. Status of Corporate Proposals Announced

There were no corporate proposals previously announced but not completed as at 20 November 2015, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report.

B8. Group Borrowings and Debt Securities

	As at 30 Sept 15 RM'000	As at 31 Dec 14 RM'000
The Groupǫs borrowings and debt securities are as follows:		
Long term borrowings		
Secured:		
Hire purchase creditors	8,607	11,765
Term loans	69,148	863
	77,755	12,628
Short term borrowings		
Secured:		
Bank overdrafts	73,308	98,716
Hire purchase creditors	9,822	6,896
Term loans	109,513	49,765
Revolving credit	7,263	5,400
	199,906	160,777

B9. Material Litigation

There was no material litigation pending as at the date of this report.

B10. Dividend

No dividend has been proposed by the Board of Directors for the current financial quarter ended 30 September 2015.

B11. (Loss)/Earnings Per Share

(a) Basic

The basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period under review.

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 15 RM'000	30 Sept 14 RM'000	30 Sept 15 RM'000	30 Sept 14 RM'000
(Loss)/Profit attributable to equity holders of the Company (RM'000)	(21,941)	15,147	(10,399)	41,245
Number of shares at the beginning of the year ('000)	388,445	355,209	388,445	355,209
Issuance of share - Private Placement	-	12,802	-	12,802
Effect of Share Buy Back	(1,284)	(566)	(1,284)	(566)
Weighted average number of ordinary shares in issue ('000)	387,161	367,445	387,161	367,445
Basic (loss)/earnings per share (sen)	**(5.67)**	**4.12**	**(2.69)**	**11.22**

(b) Diluted

Diluted earnings per ordinary share are the same as basic earnings per ordinary share as there were no dilutive potential ordinary shares.

The Company has warrants in issue for quarter under review. However, the diluted earnings per ordinary share for the Group would be the same as basic earnings per share as there were no conversion from the exercise of the warrants as the exercise price of the warrants exceeded the average market price of the ordinary shares during the period (i.e. they were 'out of the money').

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 15 RM'000	30 Sept 14 RM'000	30 Sept 15 RM'000	30 Sept 14 RM'000
(Loss)/Profit attributable to equity holders of the Company (RM'000)	(21,941)	15,147	(10,399)	41,245
No of ordinary shares for basic earnings per share computation	387,161	367,445	387,161	367,445
Effect of dilution				
- on assumption that all warrants are exercised	-n/a-	159,984	-n/a-	159,984
No of ordinary shares for diluted earnings per share computation	387,161	527,429	387,161	527,429
Diluted (loss)/earnings per share (sen)	**(5.67)**	**2.87**	**(2.69)**	**7.82**

B12. Realised and Unrealised Retained Profits

	As at 30 Sept 15 RM'000	As at 31 Dec 14 RM'000
Total retained earnings for the Group:		
- Realised	212,123	227,786
- Unrealised	2,917	2,748
	215,040	230,534
Less: Consolidated adjustments	(77,443)	(77,699)
Total group retained earnings as per consolidated accounts	137,597	152,835

B13. Authorisation for Issue

This interim financial report was authorised for issuance by the Board of Directors of the Company on 27 November 2015.