

Part A-Explanatory Notes Pursuant to FRS 134

**A1. Accounting policies and methods of computation**

The interim financial report has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The figures for the quarter ended 31 January 2016 have not been audited.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 October 2015. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 October 2015.

**A2. Seasonal or cyclical of interim operations**

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

**A3. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There are no unusual items of nature, size or incidence that affect the assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

**A4. Material changes in estimates**

There were no changes in the nature and amount of changes in estimates of amounts reported in the immediate preceding quarter or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter under review.

**A5. Capital management, issuances, repurchase, and repayment of debts and equity instruments**

The Group's objective of managing capital are to safeguard the Group's ability to continue in operations as going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

The Group's strategy is to maintain a maximum gearing ratio of 50%. The ratio is calculated as the total liabilities to total equity.

The gearing ratios as at 31 January 2016 and 31 October 2015, which are within the Group's objectives for capital management, are as follows:

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Notes to quarterly report for the quarter ended 31 January 2016

As At	31-Jan-16	31-Oct-15 (Audited)
	RM'000	RM'000
Total borrowings	6,701	6,951
Total equity	81,157	80,896
Total capital	87,858	87,847
Gearing Ratio	8.3%	8.6%

There were no shares issued, shares cancellation, resale of treasury shares and repayments of debts and equity securities during the current quarter.

On 28 March 2007, approval has been obtained from the shareholders for the Company to buy-back its own shares. The authority granted by the shareholders was subsequently renewed in the Annual General Meeting held on 28 April 2015. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the share buy-back scheme can be applied in the best interest of the Company and its shareholders.

There were no changes to the treasury shares during the quarter under review.

**A6. Dividends paid**

There were no dividends paid during the quarter under review.

**A7. Operating segment information**

With the adoption of MFRS 8, Operating Segments, the Group has four reportable segments: Manufacturing and trading, property investment and investment holdings and joint property development.

Segment information for the financial period ended 31 January 2016	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	4,349	502	433	87	5,371
Intersegment revenue	5	-	-	-	5
Reportable segment profit / (loss)	135	281	222	(301)	337

<b>Reconciliation of profit or loss</b>	RM '000
<b>Total profit for reportable segments</b>	<b>337</b>
Investment income	6
Gain on disposal of quoted investments	-
Net fair value gain on held for quoted shares	12
Interest income	88
Unallocated amounts:-	
Corporate expenses	(55)
<b>Group's profit before income tax expense</b>	<b>388</b>

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### A8. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statement for the interim period.

### A9. Effects of changes in composition of the Group

There were no changes to the composition of the Group during the interim period, including business combinations, acquisition and long term investments, restructuring and discontinuing operations.

### A10. Changes in contingent liabilities and contingent assets since the date of statement of financial position of prior audited financial statement

Save as disclosed below, the Company is not aware of any contingent liabilities or contingent assets as at 31 January 2016 except as follow:-

	31-Oct-15 (Audited) RM '000	Changes RM '000	31-Jan-16 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	6,951	-250	6,701

Contingent liabilities for corporate guarantee given by the Company to financial institutions for credit facilities granted to subsidiary companies

### A11. Capital Commitment

Save for the following, there was no capital commitments not provided for in the financial statement as at 31 January 2016.

Authorised and contracted for	RM 2.6 million
Authorised but not contracted for	RM NIL

\* End of Part A \*

**Part B - Explanatory Notes Pursuant to BURSA MALAYSIA SECURITIES BERHAD,**  
Chapter 9 of the Listing Requirement, Part A of Appendix 9B.

**B1. Detailed analysis of the performance the current quarter**

RM '000	Individual quarter	
	Current year	Preceding year corresponding quarter
	31-Jan-16	31-Jan-15
<b>Revenue</b>		
Manufacturing & Trading	4,349	4,470
Property Investment	502	500
Property Development	433	1,306
Plantation	87	-
<b>Profit/(Loss) before tax</b>		
Manufacturing & Trading	135	1,073
Property Investment	281	263
Property Development	222	799
Plantation	(301)	(46)

For current quarter under review,

Manufacturing segment maintained the revenue with small decrease but the pre-tax profit reduced substantially mainly due to losses incurred by one of the subsidiary

Both revenue and pre-tax profit from property investment segment are stable as compared to preceding year corresponding period, with marginal rent adjustment and lower operating cost, leads to higher pre-tax profit.

Slower sales in property development segment causes the revenue and pre-tax profit reduced substantially, as many buyers facing financing issues as well as prospect holding back their buying decision.

Plantation segment suffered higher pre-tax loss due to amortization of biological assets and certain expenses incurred last year were capitalized as biological assets are now being expense off in compliance with the accounting policy from Q4 2015.

**B2. Comment on any material change in the profit before taxation as compared with immediate preceding quarter.**

Consolidated revenue declined marginally by RM0.1 million or 1.9% decline. The decline came from manufacturing segment which still faces challenging environment. Orders and margin had declined drastically and this is expected to continue for quite a while.

Gross margin had also deteriorated by 2.6% to 31.8% from 34.4%. Again the main decline came from one of the subsidiary which had a negative gross margin of 13.3%.

Plantation also suffered a negative gross loss of 223% as cost incurred is much higher than sales of fresh fruit bunch. Not all the palm trees have reached harvesting stage and expense incurred to nature the palm trees had to be expense off in compliance with the accounting policy from Q4 2015.

**B3. Current financial year's prospect**

Barring unforeseen circumstances, the Boards foresee a challenging year ahead for the remaining quarters for current financial year. Nevertheless the Directors endeavor to maintain current performance.

**B4. Profit forecast**

There were no revenue or profits estimate, forecast, projection of internal targets announced or disclosed in a public document.

**B5. Taxation**

	Current Quarter RM '000	Year-to-date RM '000
Current Year	151	151
Prior Year	-	-
Deferred Taxation	-	-
Tax expense *	151	151

The effective tax rate for financial period ended 31 January 2016 was higher than the statutory tax rate of 25% mainly due to non-tax allowable expenses and pre-tax losses incurred by certain subsidiaries during the quarter under review.

**B6. Status of corporate proposals**

There was no corporate proposal announced but not completed as at 31 January 2016.

**B7. Group borrowings and debt securities**

The group's borrowings as at 31 January 2016 as follows:-

RM '000	Secured	Unsecured	Total
Short term	1,084	-	1,084
Long term	5,617	-	5,617
Total	6,701	-	6,701

All borrowings are denominated in local currency.

There was no debt securities issued.

**B8. Changes in material litigation**

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

**B9. Proposed Dividends**

The Board of Directors proposed a final single-tier dividend of 2.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 October 2015, to be approved by the shareholders in next Annual General Meeting on 28 April 2016. The book closure date and payment date will be on 11 May 2016 and 25 May 2016 respectively, if approved in the forthcoming Annual General Meeting.

**B10. Earnings per share**

a. Basic

The calculation of the basic earnings per share is based on the Group's net profit attributable to the equity holders divided by the weighted average number of ordinary shares of RM1.00 each in issue during the year excluding the weighted average treasury shares held by the Company.

	Current Quarter	Year-to-date
Net profit / (loss) attributable to equity holders of the Company (RM '000)	237	237
Weighted average number of ordinary shares ( '000)	36,577	36,577
Basic earning/(loss) per share (sen)	0.65	0.65

b. Diluted

Not applicable

**B11. Audit report qualification and status of matters raised**

The audit report of the Group's annual financial statements for the financial year ended 31 October 2015 did not contain any qualification.

**B12. The profit / (loss) after tax was derived after charging / (crediting) the following:-**

	RM'000	RM'000
(a) interest income;	(88)	(88)
(b) other income including investment income;	(6)	(6)
(c) interest expense;	96	96
(d) depreciation of property, plant and equipment	374	374
(e) amortisation of deferred income	0	0
(f) amortisation of prepaid land lease payment	8	8
(g) auditors' remuneration	23	23
(h) realised (gain)/loss on foreign exchange	(79)	(79)
(i) unrealised (gain)/loss on foreign exchange	66	66
(j) rental expenses	18	18
(k) rental income	(42)	(42)
(l) net fair value (gain)/loss on held for quoted shares	(12)	(12)
(m) Amortisation of Biological Assets	58	58
(n) (Gain)/loss on disposal of quoted investment	0	0

**B13. DISCLOSURES OF REALISED AND UNREALISED PROFITS/LOSSES**

The breakdown of retained earnings as at the reporting date, which has been prepared by the Directors in accordance with the directives from **Bursa Malaysia Securities Berhad** stated above and Guidance on Special Matter No. 1 issued on 20 December 2010 by the Malaysian Institute of Accountants, are as follows:-

As At	31-Jan-16
	<b>RM'000</b>
Realised	46,066
Unrealised	11,642
	<u>57,708</u>
Less: Consolidated adjustments	(19,395)
Retained earnings	<u>38,313</u>

BY ORDER OF THE BOARD

Ng Bee Lian  
Company Secretary

Kuala Lumpur