



**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013**

**A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134<sup>2004</sup> “Interim Financial Reporting” issued by Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

These financial statements have been prepared on the historical cost basis. Certain financial instruments are carried at fair value in accordance with MFRS139 Financial Instruments: Recognition and Measurement.

The interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012. 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 financial year ended 31 December 2012.

**A2. Changes in Accounting Policies**

The Group adopted the following Standards, Amendments and IC Interpretations :-

**Effective for financial periods beginning on or after 1 July 2012**

MFRS 3 Business Combinations

**Effective for financial periods beginning on or after 1 January 2013**

MFRS 10	Consolidated Financial Statements
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefit (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investment in Associates and Joint Ventures (revised)
Amendments to MFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance

The adoption of the abovementioned revised MFRSs, Amendments and Interpretations did not have any effect on the financial performance or position of the Group and of the Company.

The following MFRSs have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group :-

**Effective for financial periods beginning on or after 1 January 2014**

Amendments to MFRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
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**Effective for financial periods beginning on or after 1 January 2015**

Amendments to MFRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosures
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The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application.

**A3. Audit Qualification of Preceding Annual Financial Statements**

The Audited Financial Statements for the year ended 31 December 2012 were not subject to any qualification by the auditor.

**A4. Seasonal and Cyclical Factors**

The Group is principally engaged in property development in the State of Perak and is diversifying into renewable energy, palm oil and bamboo in the year 2013. The business operations are cyclical in nature which dependent on the economic conditions in the State of Perak.

**A5. Material and Unusual Items**

There were no unusual material and unusual items affecting the Group's assets, liabilities, equity, net income or cash flows in the current financial quarter under review.

**A6. Changes in Estimates**

There were no changes in the estimates of amounts previously reported that have a material effect in the current financial quarter under review.

**A7. Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities during the current financial quarter except for the conversion of Irredeemable Convertible Preference Shares ("ICPS") to ordinary shares.

The Company has converted RM2,118,200 nominal value of Irredeemable Convertible Preference Shares into 2,965,760 new ordinary shares from 1<sup>st</sup> January 2013 until 30<sup>th</sup> September 2013 with a conversion basis of every 10 units of ICPS to 7 units of ordinary shares.

**A8. Dividend**

On 25<sup>th</sup> July 2013, the Company has paid dividend of 1% Irredeemable Convertible Preference Shares amounting RM577,913 in respect for the period from 8<sup>th</sup> April 2012 to 7<sup>th</sup> April 2013.

**A9. Segmental Reporting**

No segmental information analysis is prepared as the Group's business activities are predominantly located in Malaysia and engaged in the property development and the provision of management contract services.



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**A10. Property, Plant and Equipment**

There was no valuation of property, plant and equipment in the current financial quarter under review. The valuation of property, plant and equipment has been brought forward without amendment from the financial statements for the year ended 31 December 2012.

**A11. Subsequent Events**

Saved as disclosed in Notes A7 and B8, there were no material events subsequent to the end of the current financial quarter ended 30<sup>th</sup> September 2013 and up to the date of this report.

**A12. Changes in Composition of the Group**

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

**A13. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets since the last annual statements of financial position as at 31 December 2012.

**A14. Capital Commitments**

There were no capital commitments in the financial statements as at 31 December 2012 and as at the date of this report.



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**B. EXPLANATION NOTES PURSUANT TO PARAGRAPH 9.22 OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**B1. Performance Review**

The Group's revenue for the financial year ended 30<sup>th</sup> September 2013 of RM8.88 million was lower compared with the revenue of RM25.72 million recorded in the preceding year's corresponding period which resulted a variance of 34.52%. The difference in revenue was mainly from the sales of Sg. Buloh's land in Sg. Siput at the preceding year's corresponding period which amounting RM13.00 million. For the financial year ended 30<sup>th</sup> September 2013, the Group's revenue are mainly derived from the sales land in Manjung and Manong, Perak amounting RM3.278 million and property income in Langkap, Tg Tualang, Ipoh and Batu Gajah totalling of RM1.208 million.

The loss before tax from continuing operations in the current year to-date was (RM0.427) million compared to RM8.70 million profits before tax from continuing operations recorded in the preceding year's corresponding period. The pre-tax loss for the current year is due to lower revenue recorded compared to the preceding year's corresponding period.

**B2. Comparison with Preceding Quarter's Results**

	Quarter ended	
	30 Sept 13	30 June 13
	RM'000	RM'000
Revenue	(56)	4,667
Profit/(loss) before taxation from continuing operations	(2,033)	1,494

For the current quarter under review, the Group's revenue decreased to (RM0.056) million compared to the preceding quarter of RM4.67 million. The Group had recorded loss before tax from continuing operations of (RM2.03) million compared to profit before tax from continuing operations of RM1.49 million recorded in the preceding quarter under review.

**B3. Current Year Prospects**

The Group will continue to focus on its core business in property development, and also in renewable energy, palm oil plantation and bamboo divisions and the continuous development of its existing land banks. The utilities and property management division is gathering strength and continues to search out for growth opportunity locally and regionally.

With the Group's recent active involvement in property development and renewable energy, the latest division's long term growth prospect is expected to be enhanced.

**B4. Profit Forecast**

Not applicable as the Group did not publish any profit forecast.



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**B5. Income Tax Expense**

The taxation charge for the Group consists of the followings:

	<b>Current Quarter 3 months ended 30 Sept 2013 RM'000</b>	<b>Cumulative Quarter 9 months ended 30 Sept 2013 RM'000</b>
Current year provision	<u>181</u>	<u>(796)</u>
	181	(796)

The Group's effective tax rate for the 9-month financial period under review is higher than the statutory tax rate principally due to there is no any non-deductible expenses have being calculated.

**B6. Sale of Unquoted Investments and Properties**

There were no sales of unquoted investments or properties for the current financial quarter and financial period to date.

**B7. Quoted Securities**

There were no purchases or disposals of quoted securities for the current financial quarter.

**B8. Corporate Proposals**

On 19 February 2013, Syarikat Majuperak Berhad ("SMB"), a wholly owned subsidiary of the Company and Xtreme New Sdn Bhd ("XN") entered into a Supplementary Agreement to record the terms and conditions on the variation of the Joint Venture Agreement ("JVA") to shorten the period of ten(10) years for the completion date of the JVA to five (5) years as stipulated in the JVA and the SMB's entitlement shall be fixed sum of Ringgit Malaysia Forty Five Million (RM45,000,000) only which shall be paid in cash and in kind by XN. By virtue of the Supplementary Agreement, SMB's entitlement shall be Ringgit Malaysia Thirty Seven Million (RM37,000,000) in cash and Four(4) units of Villa at the Alorie Cocoon Silverlakes Resort at the market value of RM2,000,000 per unit totalling Ringgit Malaysia Eight Million (RM8,000,000) only to be built at the XN's own costs and expenses, at the designated location by SMB.

**B9. Borrowings**

Total Group borrowings as at 30 September 2013 are as follows:

	<b>30 Sept 2013 RM'000</b>	<b>31 Dec 2012 RM'000</b>
Current: secured	<u>250</u>	<u>885</u>
Non Current: secured	<u>2,800</u>	<u>2,800</u>

The above borrowings are denominated in Ringgit Malaysia.



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**B10. Off Balance Sheet Financial Instruments**

There were no financial instruments with off a balance sheet risk as at the date of this report.

**B.11 Material Litigation**

The Group is not involved in any material litigation, either as plaintiff or as defendant, and the Directors have no knowledge of any proceedings, pending or threatened, against the Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

**B12. Earnings/(Loss) per share**

**a) Basic earnings/(loss) per share**

The basic earnings/(loss) per share are calculated by dividing the Group's net profit/(loss) attributable to shareholders (net dividend of ICPS) by the weighted average number of shares in issue during the year.

	Individual quarter		Cumulative quarter	
	ended 30 Sept 2013	ended 30 Sept 2012	ended 30 Sept 2013	ended 30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations:</b>				
Net profit/(loss) attributable to shareholders (RM'000)	(1,629)	(957)	(1,615)	4,905
Weighted average number of shares in issue ('000)	178,142	174,881	178,142	174,881
Basic earnings/(loss) per share (sen)	<b>(0.91)</b>	(0.55)	<b>(0.91)</b>	2.81
<b>Discontinued operations:</b>				
Profit/(Loss) from discontinued operation (RM'000)	(27)	24	(8)	24
Weighted average number of shares in issue ('000)	178,142	174,881	178,142	174,881
Basic earnings/(loss) per share (sen)	<b>(0.015)</b>	0.01	<b>(0.005)</b>	0.01

**b) Diluted earnings per share**

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue during the financial year has been adjusted for the dilutive effects of potential ordinary shares in respect of conversion of ICPS into ordinary shares.



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	Individual quarter		Cumulative quarter	
	ended 30 Sept 2013	ended 30 Sept 2012	ended 30 Sept 2013	ended 30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations:</b>				
Net profit/(loss) attributable to shareholders (RM'000)	(1,234)	(423)	(1,201)	5,439
Weighted average number of shares in issue ('000)	178,142	174,881	178,142	174,881
Conversion of ICPS ('000)	78,911	167,698	78,911	167,698
Weighted average number of shares in issue ('000)	257,053	342,579	257,053	342,579
Diluted earnings/(loss) per share (sen)	<b>(0.48)</b>	(0.12)	<b>(0.47)</b>	1.59
<b>Discontinued operations:</b>				
Profit/(Loss) from discontinued operations (RM'000)	(27)	24	(8)	24
Weighted average number of shares in issue ('000)	178,142	174,881	178,142	174,881
Conversion of ICPS ('000)	78,911	167,698	78,911	167,698
Weighted average number of shares in issue ('000)	257,053	342,579	257,053	342,579
Diluted earnings/(loss) per share (sen)	<b>(0.011)</b>	0.01	<b>(0.003)</b>	0.01

**B13. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors passed at the Board of Directors' meeting held on **28<sup>th</sup> November 2013**.