



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2014

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”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

These financial statements have been prepared on the historical cost convention, except as disclosed in the significant accounting policies below.

The interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013. 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 2013.

A2. Changes in Accounting Policies

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

Effective for financial periods beginning on or after 1 January 2013

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
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
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
Annual Improvements to 1C Interpretations and MFRS’s 2009 - 2011 Cycle	

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 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Consolidated and Separate Financial Statements: Investment Entities
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 July 2014

Amendments to MFRS 3	Business Combinations (Annual Improvements 2010 – 2012 Cycle and 2011 – 2013 Cycle)
Amendments to MFRS 13	Fair Value Measurement (Annual Improvements 2011 – 2013 Cycle)
Amendments to MFRS 119	Employee Benefits – Defined Benefit Plans: Employee Contributions
Amendments to MFRS 140	Investment Properties (Annual Improvements 2011 – 2013 Cycle)

Effective for a date yet to be confirmed

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
Amendments to MFRS 9	Financial Instruments - Mandatory Effective Date of MFRS 9 and Transition Disclosures

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 2013 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 also has interest in businesses into renewable energy and agriculture related businesses. 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 year 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 year 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 year except for the conversion of Irredeemable Convertible Preference Shares ("ICPS") to ordinary shares.



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The Company has converted RM993,500 nominal value of Irredeemable Convertible Preference Shares into 1,390,898 new ordinary shares from 1 January until 31 December 2014 with a conversion basis of every 10 units of ICPS to 7 units of ordinary shares.

A8. Dividend

On 25th July 2014, the Company has paid dividend of 1% Irredeemable Convertible Preference Shares amounting RM524,814 in respect for the period from 8th April 2013 to 7th April 2014.

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.

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 2013.

A11. Subsequent Events

Saved as disclosed in Notes A7 and B8, there were no material events subsequent to the end of the current financial year ended 31 December 2014 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 year 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 2013.

A14. Capital Commitments

There were no capital commitments in the financial statements as at 31 December 2013 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 31 December 2014 of RM11.61 million was higher compared with the revenue of RM10.22 million recorded in the preceding year's corresponding period with a variance of 13.5%. For the financial year ended 31 December 2014, the Group's revenue is mainly derived from the project management income from various projects amounting RM10.51 million.

The profit before tax from continuing operations in the current year was RM4.69 million compared to loss before tax of (RM2.61) million recorded in the preceding year's corresponding period. The pre-tax profits for the current year is due to increment of revenue and reduction of administration expenses compared to the preceding year's corresponding period.

B2. Comparison with Preceding Quarter's Results

	Quarter ended	
	31 Dec 14 RM'000	30 Sept 14 RM'000
Revenue	3,061	6,815
Profit before taxation from continuing operations	1,040	3,989

For the current quarter under review, the Group's revenue decreased to RM3.06 million compared to the preceding quarter of RM6.81 million. The Group had recorded profit before tax from continuing operations of RM1.04 million compared to pre-profit of RM3.99 million recorded in the preceding quarter under review.

B3. Current Year Prospects

The Group has achieved positive results in the year 2014. The Group will continue to focus on its core business in property development and realty businesses by leveraging the continuous development of its existing land banks. Although the long-term prospects of these businesses are favourable, the Group expect the results to remain challenging due to gestation period of new projects and the global economic climax.

B4. Profit Forecast

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

B5. Income Tax Expense

The taxation charge for the Group consists of the followings:

	Current Quarter 3 months ended 31 Dec 2014 RM'000	Cumulative Quarter 12 months ended 31 Dec 2014 RM'000
Current year provision	31	(678)
	<u>31</u>	<u>(678)</u>



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B6. Sale of Unquoted Investments and Properties

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

B7. Quoted Securities

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

B8. Corporate Proposals

There is no corporate proposal for the current financial year ended 31 December 2014.

B9. Borrowings

Total Group borrowings as at 31 December 2014 are as follows:

	31 Dec 2014	31 Dec 2013
	RM'000	RM'000
Current: secured	<u>1,828</u>	<u>1,440</u>
Non Current: secured	<u>2,650</u>	<u>2,650</u>

The above borrowings are denominated in Ringgit Malaysia.

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.



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	Individual quarter		Cumulative quarter	
	ended	ended	ended	ended
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	RM'000	RM'000	RM'000	RM'000
Continuing operations:				
Net profit/(loss) attributable to shareholders (RM'000)	703	(2,294)	3,639	(3,486)
Weighted average number of shares in issue ('000)	183,972	182,581	183,972	182,581
Basic earnings/(loss) per share (sen)	0.38	(1.26)	1.98	(1.91)
Discontinued operations:				
Profit/(Loss) from discontinued operation (RM'000)	-	-	-	(8)
Weighted average number of shares in issue ('000)	183,972	182,581	183,972	182,581
Basic earnings/(loss) per share (sen)	-	-	-	(0.005)

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.

	Individual quarter		Cumulative quarter	
	ended	ended	ended	ended
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	RM'000	RM'000	RM'000	RM'000
Continuing operations:				
Net profit/(loss) attributable to shareholders (RM'000)	1,094	(1,895)	4,037	(3,096)
Weighted average number of shares in issue ('000)	183,972	182,581	183,972	182,581
Conversion of ICPS ('000)	73,080	74,471	73,080	74,471
Weighted average number of shares in issue ('000)	257,053	257,053	257,053	257,053
Diluted earnings/(loss) per share (sen)	0.43	(0.74)	1.57	(1.20)



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Discontinued operations:

Profit/(Loss) from discontinued operations (RM'000)	-	-	-	(8)
Weighted average number of shares in issue ('000)	183,972	182,581	183,972	182,581
Conversion of ICPS ('000)	73,080	74,471	73,080	74,471
Weighted average number of shares in issue ('000)	257,053	257,053	257,053	257,053
Diluted earnings/(loss) per share (sen)	-	-	-	(0.003)

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 **25th February 2015**.