



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

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 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 financial year ended 31 December 2014.

A2. Changes in Accounting Policies

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

Effective for financial periods beginning on or after 01 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 | Separate Financial Statements: Investment Entities |
| Amendments to MFRS 132 | Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities |
| Amendments to MFRS 136 | Recoverable Amount Disclosures for Non-Financial Assets |
| Amendments to MFRS 139 | Novation of Derivatives and Continuation of Hedge Accounting |

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 01 July 2014

| | |
|------------------------|--|
| Amendments to MFRS 3 | Business Combinations (Annual Improvements to MFRSs 2010 – 2012) |
| Amendments to MFRS 3 | Business Combinations (Annual Improvements to MFRSs 2011 – 2013) |
| Amendments to MFRS 13 | Fair Value Measurement (Annual Improvements to MFRSs 2011 – 2013 Cycle) |
| Amendments to MFRS 116 | Property, Plant and Equipment (Annual Improvements to MFRSs 2010 – 2012 Cycle) |
| Amendments to MFRS 140 | Investment Property (Annual Improvements to MFRSs 2011 – 2013 Cycle) |



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Effective for financial periods beginning on or after 01 January 2016

| | |
|------------------------|--|
| Amendments to MFRS 10 | Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
| Amendments to MFRS 10 | Consolidated Financial Statements: Investment Entities: Applying the Consolidation Exception |
| Amendments to MFRS 11 | Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations |
| Amendments to MFRS 116 | Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation and Amortisation |
| Amendments to MFRS 127 | Consolidated and Separate Financial Statements: Equity Method in Separate Financial Statements |
| Amendments to MFRS 128 | Investment in Associates: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
| Amendments to MFRS 128 | Investment in Associates: Investment Entities: Applying the Consolidation Exception |
| Amendments to MFRS 134 | Interim Financial Reporting (Annual Improvements to MFRSs 2012 - 2014 Cycle) |
| Amendments to MFRS 141 | Agriculture: Bearer Plants |

Effective for financial periods beginning on or after 01 January 2017

| | |
|---------|---------------------------------------|
| MFRS 15 | Revenue from Contracts with Customers |
|---------|---------------------------------------|

Effective for financial periods beginning on or after 01 January 2018

| | |
|--------|--|
| MFRS 9 | Financial Instruments (IFRS 9 issued by IASB in July 2014) |
|--------|--|

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 2014 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 quarter under review.



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

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 RM9,495,792 nominal value of Irredeemable Convertible Preference Shares into 13,294,108 new ordinary shares from 1 January until 30 September 2015 with a conversion basis of every 10 units of ICPS to 7 units of ordinary shares.

A8. Dividend

On 25th July 2015, the Company has paid dividend of 1% Irredeemable Convertible Preference Shares amounting RM515,678 in respect for the period from 8th April 2014 to 7th April 2015.

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 2014.

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 September 2015 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 2014.



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

A14. Capital Commitments

There were no capital commitments in the financial statements as at 31 December 2014 and as at the date of this report.

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 quarter ended 30 September 2015 of RM1.89 million was lower compared with the revenue of RM8.54 million recorded in the preceding year's corresponding period with a variance of 77.8%. For the financial quarter ended 30 September 2015, the Group's revenue is mainly derived from the project management income from various projects amounting RM1.46 million, mining tribute of RM0.27 million and rental RM0.103 million.

The loss before tax from continuing operations in the current quarter was (RM5.44) million compared to profit before tax of RM1.19 million recorded in the preceding year's corresponding period. The pre-tax loss for the current period 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 15 | 30 June 15 |
| | RM'000 | RM'000 |
| Revenue | 884 | 517 |
| Profit/(Loss) before taxation from continuing operations | (2,375) | (1,949) |

For the current quarter under review, the Group's revenue increased to RM0.88 million compared to the preceding quarter of RM0.52 million. The Group had recorded loss before tax from continuing operations of (RM2.37) million compared to pre-loss of (RM1.95) 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 realty businesses by leveraging the continuous development of its existing land banks. Although the long-term prospects of these businesses are favourable, the Group expects the results to remain challenging due to gestation period of new projects and the global economic climate.

B4. Profit Forecast

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



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

B5. Income Tax Expense

The taxation charge for the Group consists of the followings:

| | Current Quarter 3 months ended 30 Sept 2015 RM'000 | Cumulative Quarter 9 months ended 30 Sept 2015 RM'000 |
|------------------------|---|--|
| Current year provision | <u>(8)</u> | <u>(12)</u> |
| | (8) | (12) |

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

There is no corporate proposal for the current financial quarter ended 30 September 2015.

B9. Borrowings

Total Group borrowings as at 30 September 2015 are as follows:

| | 30 Sept 2015 RM'000 | 31 Dec 2014 RM'000 |
|----------------------|--------------------------------|-------------------------------|
| Current: secured | <u>1,716</u> | <u>1,978</u> |
| Non Current: secured | <u>2,650</u> | <u>2,500</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.



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

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 2015 RM'000 | ended 30 Sept 2014 RM'000 | ended 30 Sept 2015 RM'000 | ended 30 Sept 2014 RM'000 |
| Continuing operations: | | | | |
| Net profit/(loss) attributable to shareholders (RM'000) | (4,466) | 3,596 | (5,756) | 2,563 |
| Weighted average number of shares in issue ('000) | 197,607 | 183,860 | 197,607 | 183,860 |
| Basic earnings/(loss) per share (sen) | (2.35) | 1.96 | (2.91) | 1.39 |
| Discontinued operations: | | | | |
| Profit/(Loss) from discontinued operation (RM'000) | - | - | - | - |
| Weighted average number of shares in issue ('000) | 197,607 | 183,860 | 197,607 | 183,860 |
| Basic earnings/(loss) per share (sen) | - | - | - | - |

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 30 Sept 2015 RM'000 | ended 30 Sept 2014 RM'000 | ended 30 Sept 2015 RM'000 | ended 30 Sept 2014 RM'000 |
| Continuing operations: | | | | |
| Net profit/(loss) attributable to shareholders (RM'000) | (4,327) | 3,988 | (5,438) | 2,955 |
| Weighted average number of shares in issue ('000) | 197,607 | 183,860 | 197,607 | 183,860 |
| Conversion of ICPS ('000) | 59,446 | 73,193 | 59,446 | 73,193 |
| Weighted average number of shares in issue ('000) | 257,053 | 257,053 | 257,053 | 257,053 |
| Diluted earnings/(loss) per share (sen) | (1.68) | 1.55 | (2.12) | 1.15 |



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

Discontinued operations:

| | | | | |
|---|---------|---------|---------|---------|
| Profit/(Loss) from discontinued operations (RM'000) | - | - | - | - |
| Weighted average number of shares in issue ('000) | 197,607 | 183,860 | 197,607 | 183,860 |
| Conversion of ICPS ('000) | 59,446 | 73,193 | 59,446 | 73,193 |
| Weighted average number of shares in issue ('000) | 257,053 | 257,053 | 257,053 | 257,053 |
| Diluted earnings/(loss) per share (sen) | - | - | - | - |

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 **29th November 2015**.