



**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 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
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**Effective for financial periods beginning on or after 01 January 2018**

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
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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 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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 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 RM10,013,292 nominal value of Irredeemable Convertible Preference Shares into 14,018,608 new ordinary shares from 1 January until 31 December 2015 with a conversion basis of every 10 units of ICPS to 7 units of ordinary shares.

**A8. Dividend**

On 25<sup>th</sup> July 2015, the Company has paid dividend of 1% Irredeemable Convertible Preference Shares amounting RM515,678 in respect for the period from 8<sup>th</sup> April 2014 to 7<sup>th</sup> 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 year ended 31 December 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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 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 year ended 31 December 2015 of RM6.32 million was lower compared with the revenue of RM11.61 million recorded in the preceding year's corresponding period with a variance of 45.56%. For the financial quarter ended 31 December 2015, the Group's revenue is mainly derived from the project management income from various projects amounting RM5.85 million, mining tribute of RM0.27 million and rental RM0.133 million.

The profit before tax from continuing operations in the current year was RM24.22 million compared to profit before tax of RM4.69 million recorded in the preceding year's corresponding period. The pre-tax profit for the current year is due to recognition of 5,000 acres Sg Piah's plantation land sales amounting RM42.5 million.

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

	Quarter ended	
	31 Dec 15	30 Sept 15
	RM'000	RM'000
Revenue	4,417	884
Profit/(Loss) before taxation from continuing operations	29,663	(2,375)

For the current quarter under review, the Group's revenue increased to RM4.42 million compared to the preceding quarter of RM0.88 million. The Group had recorded profit before tax from continuing operations of RM29.66 million compared to pre-loss of (RM2.37) million recorded in the preceding quarter under review. The land sale pertaining to 5000 acres Sg Piah sold at RM42.5 million is offset with RM12.65 million.

**B3. Current Year Prospects**

The Group has achieved positive results in the year 2015. 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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2015**

**B5. Income Tax Expense**

The taxation charge for the Group consists of the followings:

	<b>Current Quarter 3 months ended 31 Dec 2015 RM'000</b>	<b>Cumulative Quarter 12 months ended 31 Dec 2015 RM'000</b>
Current year provision	<u>(11,670)</u>	<u>(11,682)</u>
	<b>(11,670)</b>	<b>(11,682)</b>

**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 2015.

**B9. Borrowings**

Total Group borrowings as at 31 December 2015 are as follows:

	<b>31 Dec 2015 RM'000</b>	<b>31 Dec 2014 RM'000</b>
Current: secured	<u>-</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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 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 31 Dec 2015 RM'000	ended 31 Dec 2014 RM'000	ended 31 Dec 2015 RM'000	ended 31 Dec 2014 RM'000
<b>Continuing operations:</b>				
Net profit/(loss) attributable to shareholders (RM'000)	13,667	703	12,556	3,639
Weighted average number of shares in issue ('000)	198,331	183,972	198,331	183,972
Basic earnings/(loss) per share (sen)	<b>6.73</b>	<b>0.38</b>	<b>6.17</b>	<b>1.98</b>
<b>Discontinued operations:</b>				
Profit/(Loss) from discontinued operation (RM'000)	-	-	-	-
Weighted average number of shares in issue ('000)	198,331	183,972	198,331	183,972
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 31 Dec 2015 RM'000	ended 31 Dec 2014 RM'000	ended 31 Dec 2015 RM'000	ended 31 Dec 2014 RM'000
<b>Continuing operations:</b>				
Net profit/(loss) attributable to shareholders (RM'000)	13,667	1,094	12,556	4,037
Weighted average number of shares in issue ('000)	198,331	183,972	198,331	183,972
Conversion of ICPS ('000)	58,722	73,080	58,722	73,080
Weighted average number of shares in issue ('000)	257,053	257,053	257,053	257,053
Diluted earnings/(loss) per share (sen)	<b>5.32</b>	<b>0.43</b>	<b>4.88</b>	<b>1.57</b>



**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2015**

**Discontinued operations:**

Profit/(Loss) from discontinued operations (RM'000)	-	-	-	-
Weighted average number of shares in issue ('000)	198,331	183,972	198,331	183,972
Conversion of ICPS ('000)	58,722	73,080	58,722	73,080
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 **27<sup>th</sup> February 2016**.