

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2010**Table of Contents**

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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 31 AUGUST 2010

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.08.2010 RM'000	Preceding Year Corresponding Quarter 31.08.2009 RM'000	Current Year To Date 31.08.2010 RM'000	Preceding Year Corresponding Period 31.08.2009 RM'000
Revenue	3,068	13,930	18,219	31,494
Cost of goods sold	(2,546)	(11,123)	(14,209)	(25,094)
Gross profit	<u>522</u>	<u>2,807</u>	<u>4,010</u>	<u>6,400</u>
Other operating income	102	82	784	957
Administrative expenses	(2,651)	(2,344)	(9,206)	(7,393)
Finance costs	(623)	(500)	(1,643)	(1,633)
Loss from operations	<u>(2,650)</u>	<u>45</u>	<u>(6,055)</u>	<u>(1,669)</u>
Share of losses of an associated company	-	-	-	-
Loss before tax	<u>(2,650)</u>	<u>45</u>	<u>(6,055)</u>	<u>(1,669)</u>
Tax expense	(253)	(2,229)	(420)	(2,221)
Loss for the period	<u><u>(2,903)</u></u>	<u><u>(2,184)</u></u>	<u><u>(6,475)</u></u>	<u><u>(3,890)</u></u>
Attributable to :				
Equity holders of the Company	<u><u>(2,903)</u></u>	<u><u>(2,184)</u></u>	<u><u>(6,475)</u></u>	<u><u>(3,890)</u></u>
Basic earnings per ordinary share (sen)	<u><u>(2.90)</u></u>	<u><u>(2.18)</u></u>	<u><u>(6.48)</u></u>	<u><u>(3.89)</u></u>
Dividend per share (sen)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

N/A - Not Applicable

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2009)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2010

	(Unaudited) As At End Of Current Quarter 31.08.2010 RM'000	(Audited) As At Preceding Financial Year End 30.11.2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,364	241
Land held for property development	193,739	180,990
Deferred tax assets	3,135	3,193
	199,238	184,424
Current assets		
Property development costs	21,388	28,593
Inventories	9,753	12,323
Receivables, deposits and prepayments	8,204	25,503
Tax recoverable	266	84
Cash and bank balances	2,390	3,402
	42,001	69,905
TOTAL ASSETS	241,239	254,329
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	100,000	100,000
Retained profits	28,059	34,534
Share premium	124	124
Total equity	128,183	134,658
Non-current liabilities		
Borrowings	72,743	72,243
	72,743	72,243
Current liabilities		
Provision for liabilities	11	11
Payables and accruals	12,270	20,041
Borrowings	28,025	27,224
Tax payable	7	152
	40,313	47,428
Total liabilities	113,056	119,671
TOTAL EQUITY AND LIABILITIES	241,239	254,329
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.28	1.35

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2009)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED 31 AUGUST 2010

The figures have not been audited.

	Current Year-To- Date 31.08.2010 RM'000	Preceding Corresponding Period 31.08.2009 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Loss before tax	(6,055)	(1,669)
Adjustments for :-		
Depreciation of property, plant and equipment	373	269
Interest from bank deposits	(8)	(38)
Interest expense	1,643	1,633
Gain on disposal of property, plant and equipment	(385)	-
Allowance for doubtful debts written back	-	(1)
Operating (loss)/profit before changes in working capital	<u>(4,432)</u>	<u>194</u>
(Increase)/Decrease in property development costs	(5,544)	(3,995)
Decrease/(Increase) in inventories	2,570	3,842
Decrease/(Increase) in receivables, deposits and prepayments	17,490	(5,265)
(Decrease)/Increase in payables, deposits and accruals	<u>(7,963)</u>	<u>6,833</u>
Cash Generated From Operations	2,121	1,609
Tax paid	(708)	(7)
Tax refunded	20	-
Net Cash Generated From Operating Activities	<u>1,433</u>	<u>1,602</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest from bank deposits	8	38
Proceeds from disposal of property, plant and equipment	385	-
Purchase of property, plant and equipment	<u>(2,496)</u>	<u>(16)</u>
Net Cash (Used In)/Generated From Investing Activities	<u>(2,103)</u>	<u>22</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Drawdown of bank borrowings	10,304	995
Interest expense	(1,643)	(1,633)
Repayment of bank borrowings	(12,275)	(6,113)
Repayment of finance leases	<u>(271)</u>	<u>(134)</u>
Net Cash Used In Financing Activities	<u>(3,885)</u>	<u>(6,885)</u>
Net decrease in cash and cash equivalents	(4,555)	(5,261)
Cash and cash equivalents at beginning of period	(215)	5,052
Cash and cash equivalents at end of period	<u>(4,770)</u>	<u>(209)</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2009)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR
THE THIRD QUARTER ENDED 31 AUGUST 2010**

The figures have not been audited.

	Attributable to Equity Holders of the Company			Total RM'000
	Share capital Ordinary shares RM'000	Distributable reserve Retained profits RM'000	Non- distributable reserve Share premium RM'000	
Balance as at 1 December 2008	100,000	38,281	124	138,405
Loss for the period	-	(3,890)	-	(3,890)
Balance as at 31 August 2009	100,000	34,391	124	134,515
Balance as at 1 December 2009	100,000	34,534	124	134,658
Loss for the period	-	(6,475)	-	(6,475)
Balance as at 31 August 2010	100,000	28,059	124	128,183

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2009)

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2010**A1. Basis of Preparation**

The unaudited interim financial report has been prepared in accordance with *FRS 134 : Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad*.

The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 30 November 2009.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group are consistent with those adopted in the preparation of the financial statements for the year ended 30 November 2009 except for the adoption of FRS 8 – Operating Segments which became effective for financial periods beginning on and after 1 July 2009. The adoption of FRS 8 does not have any financial impact on the Group.

A3. Audit Report Of Preceding Annual Financial Statements

The auditor's report for the financial statements for the year ended 30 November 2009 was not subject to any qualification.

A4. Seasonality or Cyclicity of Operations

The operations of the Group were not substantially affected by any seasonal or cyclical factors.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items for the current financial year-to-date.

A6. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that give rise to a material effect in the current interim period.

A7. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date.

A8. Dividends Paid

There were no payments of dividend during the current financial year-to-date.

A9. Segmental Information

The segment analysis for the current financial year-to-date is set out below: -

	Property Development RM'000	Construction RM'000	Investment Holding RM'000	Property Management RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	18,220	1,042	-	-	(1,043)	18,219
Inter-segment sales	-	-	-	177	(177)	-
Total revenue	<u>18,220</u>	<u>1,042</u>	<u>-</u>	<u>177</u>	<u>(1,220)</u>	<u>18,219</u>
Other Income						
Interest Income	236	-	-	-	-	236
Other Income	548	-	-	-	-	548
	<u>784</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>784</u>
Result						
Segment results	(4,297)	(32)	(5)	(78)	-	(4,412)
Finance costs						(1,643)
Loss before tax						<u>(6,055)</u>
Tax expense						(420)
Loss for the period						<u><u>(6,475)</u></u>

Depreciation of RM368,613 for the property development segment, RM933 for the construction segment and RM3,896 for the property management segment had been deducted from the segment results shown above.

Segmental reporting by geographical locations has not been presented as all the activities of the Group's operations are carried out in Malaysia only.

A10. Valuation of Property, Plant and Equipment

The valuations of the Group's property, plant and equipment have been brought forward without amendment from the latest audited annual financial statements.

A11. Material Events Subsequent to the end of the Interim Period

There are no material events subsequent to the end of the financial quarter under review.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial year-to-date.

A13. Changes in Contingent Assets or Contingent Liabilities

The changes in contingent liabilities since the last annual balance sheet date are as follows: -

	As At 31.08.2010 RM'000	Year End 30.11.2009 RM'000	Net Changes RM'000
Performance guarantees given to third parties, which are secured by: -			
- Earmark of cash at bank of a subsidiary company	44	24	20
	<u>44</u>	<u>24</u>	<u>20</u>

There were no changes in contingent asset since the last annual balance sheet date.

A14. Commitments

There are no outstanding capital commitments as at the date of this report.

A15. Significant Related Party Transactions

	Year to date 31-Aug-10 RM'000
<i>Transactions with directors of the Company, major shareholders of the Company and persons connected to the directors/major shareholders of the Company :</i>	
i) Rental return paid to an executive director of the Company	20
ii) Rental return paid to an executive director/major shareholder of the Company	90
iii) Rental return paid to a major shareholder of the Company and a person connected to an executive director/major shareholder of the Company	45
iv) Rental return paid to persons connected to an executive director/major shareholder of the Company and a non-independent non-executive director/major shareholder of the Company	<u>441</u>
	<u>596</u>
<i>Transactions with key management personnel of the Company and persons connected to key management personnel of the Company</i>	
i) Rental return paid to a key management personnel and a person connected to a key management personnel of the Company	<u>42</u>

* The rental returns were paid pursuant to a sales promotion offered by a subsidiary company upon the same terms and conditions generally available to the public.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**B1. Review of Performance**

For the current financial year to date, the Group recorded revenue and loss before tax of RM18.2 million and RM6.1 million respectively as compared to the revenue and loss before tax of RM31.5 million and RM1.7 million respectively in the corresponding preceding year period. The decrease in revenue and the increase in the loss before tax were due to lesser units sold arising from the tail end of the project at *Taman Nusa Indah* coupled with higher administrative expenses incurred for securing new financing facilities for the development of its new parcel of land, *Taman Nusa Sentral*, in Bandar Nusajaya.

B2. Material Changes in the Profit Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter

The Group recorded a higher loss before tax of RM2.7 million for the third quarter of the financial year ending 30 November 2010 as compared to the loss before tax of RM1.6 million for the immediate preceding quarter.

B3. Prospects Commentary

The Group views positively the Government's commitment to the development of Iskandar Malaysia and expects its revenue for the financial year ending 2010 to be mainly derived from the sales of its existing development properties in *Taman Nusa Indah*, the up market bungalows in Johor Bahru, *Residence at the Peak* and the first phase of development on its new parcel of land, comprising a total of 313.17 acres, situated in Bandar Nusajaya, all located within Iskandar Malaysia. The development on its new parcel of land in Bandar Nusajaya known as *Taman Nusa Sentral*, is slated to be launched within the fourth quarter of the financial year ending 30 November 2010.

Going forward, the Group's focus will be on the medium to high end landed property segment with particular attention being paid to the strategic locations of the Group's development projects, competitive pricing and design concepts.

B4. Variance of Actual Profit from Forecast Profit

Not applicable as there was no profit forecast published by the Group.

B5. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.08.2010 RM'000	Preceding Year Corresponding Quarter 31.08.2009 RM'000	Current Year To Date 31.08.2010 RM'000	Preceding Year Corresponding Period 31.08.2009 RM'000
Current taxation	6	136	7	136
Under provision for prior year	157	-	355	-
Deferred taxation	90	2,093	58	2,085
	253	2,229	420	2,221

The effective tax rate of the tax charge for the current quarter and financial year-to-date is higher than the statutory tax rate principally due to back-duty taxes paid by the Group and the de-recognition of deferred tax assets.

B6. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter and financial year-to-date outside the ordinary course of the Group's business.

B7. Purchase/Disposal of Quoted Securities other than Securities in Existing Subsidiaries and Associated Companies

- (a) There were no purchases or disposal of quoted securities for the current quarter and financial year-to-date.
- (b) There were no investments in quoted securities for the current quarter and financial year-to-date.

B8. Status of Corporate Proposals

There were no outstanding corporate proposals for the current quarter and financial year-to-date.

B9. Group Borrowings

The Group's borrowings (all denominated in Malaysian currency) as at 31 August 2010 are as follows: -

	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total Borrowings RM'000
<i>Secured</i>			
Term loans	7,830	66,940	74,770
Bridging loans	-	1,484	1,484
Bank overdrafts	7,160	-	7,160
Revolving credits	12,587	2,667	15,254
Finance leases	448	1,652	2,100
	28,025	72,743	100,768

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B10. Financial Instruments with Off Balance Sheet Risk

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

B11. Changes in Material Litigation

There was no pending material litigation as at 20 October 2010, being a date not earlier than 7 days from the date of this quarterly report.

B12. Dividend Payable

- (a) (i) No interim dividend has been declared for the current financial year-to-date.
- (ii) Amount per share: -
- (iii) In the corresponding financial year ended 30 November 2009, no dividend was declared by the Board of Directors.
- (iv) Date payable: -
- (v) Date of entitlement: -
- (b) Total dividend for the current financial year: -

B13. Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.08.2010 RM'000	Preceding Year Corresponding Quarter 31.08.2009 RM'000	Current Year To Date 31.08.2010 RM'000	Preceding Year Corresponding Period 31.08.2009 RM'000
Basic earnings per share				
Loss for the period	<u>(2,903)</u>	<u>(2,184)</u>	<u>(6,475)</u>	<u>(3,890)</u>
Weighted number of ordinary shares in issue	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Basic earnings per share (sen)	<u>(2.90)</u>	<u>(2.18)</u>	<u>(6.48)</u>	<u>(3.89)</u>
Diluted earnings per share				
Profit/(loss) for the period/year	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Adjusted weighted number of ordinary shares in issue				
- Weighted number of ordinary shares in issue	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
- Not Applicable				