PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. 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 year ended 31 December 2009.

A2. Changes in accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2009 except for the adoption of the following new/revised FRSs and Interpretations:

Effective for financial periods beginning on or after 1 July 2009:

FRS 8	Operating Segments

Effective for financial periods beginning on or after 1 January 2010:

FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (as revised n 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards Consolidated and Separate Financial Statements: *Cost of* an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement Disclosures and Reassessment of Embedded Derivatives
Improvement to FRSs 2009	Improvement to FRSs (2009)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programs

A2. Changes in accounting policies (cont'd.)

IC Interpretation 14 FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are as discussed below:

(a) FRS 8: Operating Segments

FRS 8 replaces FRS 114_{2004}: *Segment Reporting* and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, this revised FRS does not have any impact on the financial position or results of the Group.

(b) FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

(c) Amendments to FRSs 'Improvements to FRS (2009)' - FRS117: Leases

Leasehold land is classified as a finance lease if the Group has substantially all the risks and rewards incidental to ownership. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Following the amendment to FRS 117, the classification of leasehold land has been changed from operating to finance lease.

The effects of adoption of this amendment to FRS117 on certain items in the consolidated balance sheet as at 31 December 2009 are as follows:

Balance Sheet as at 31 December 2009	Previously Stated (RM'000)	Adjustment (RM'000)	Restated (RM'000)
Property, plant and equipment	151,328	125,010	276,338
Prepaid land lease payments	125,010	(125,010)	-

(d) FRS 139: Financial Intruments: Recognition and Measurement

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. The classification depends on the nature of the asset and the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. Set out below are the major changes in the classification of financial assets and financial liabilities of the Group:

(i)Financial Assets:

Loans and receivables

Non-current receivables, previously measured at invoice amount and subject to impairment, are now classified as loans and receivables and measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method.

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Available-for-sale (AFS) financial assets

AFS financial assets are those non-derivative financial assets that are designated as available-for-sale. Such assets are initially recognised at its fair value including transaction costs and subsequently measured at fair value at the balance sheet date with all gains and losses in the period it arises. On disposal, gains and losses previously taken to equity are recognised in profit or loss. Any reversal of an impairment loss in respect of a debt instrument classified as AFS financial assets is recognised in profit or loss. An impairment loss in respect of an investment in an equity instrument classified as AFS financial assets is not reversed through profit or loss. Prior to 1 January 2010, such investments were accounted for at cost less impairment losses for diminution in value that was other than temporary, which was recognised in profit or loss when they arose. Any reversal of the impairment loss was also recognised in profit or loss.

(ii)Financial Liabilities

The Group's financial liabilities include borrowings and trade and other payables. All financial liabilities are subsequently measured at amortised cost using the effective interest method.

The Group has applied the new policies in relation to the financial instruments above in accordance with the transitional provisions in FRS 139 by recognising and re-measuring all financial assets and financial liabilities as at 1 January 2010 as appropriate. The related adjustments to the previous carrying amounts are made to the opening balances in the consolidated balance sheet. Comparatives are not restated.

The effects of adoption of FRS139 on the opening reserves of the Group and other items in the consolidated balance sheet as at 1 January 2010 are as follows:

Balance Sheet as at 1 January 2010	Before the adoption of FRS139 (RM'000)	Effects on adoption of FRS139 (RM'000)	After the adoption of FRS139 (RM'000)
Accumulated losses	(23,758)	22,201	(1,557)
Security retainers	27,320	(26,309)	1,011
Trade Payables	110,411	(2,449)	107,962
Other payables	82,769	(20)	82,749
Deferred Tax Liabilities	(66,953)	(6,577)	(73,530)

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2009 was not qualified.

A4. Comments about seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

A5. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that is unusual because of their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

A6. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years

There were no changes in estimates of amounts reported in prior interim period of the current financial year or changes in estimates of amounts reported in prior financial years that have had a material effect in the current quarter.

A7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review except for the issuance of 655,230 ordinary shares of RM1.00 each for cash pursuant to the exercise of ESOS at exercise price of RM1.11 per ordinary share.

A8. Dividends paid

No dividend was paid during the current quarter under review.

A9. Segmental information

Segment information is presented in respect of the Group's business segments which are based on the internal reporting structure presented to the management of the Company.

The Group's principal business segments are property development and resort operations, property investment and investment holding.

The information by geographical location is not presented as the Group's activities are carried out predominantly in Malaysia.

Business segment analysis	Property development and resort operations	Property Investment	Investment holding and others	Consolidated
	RM'000	RM'000	RM'000	RM'000
YTD ended 30 June 2010				
Revenue	110,834	17,233	31	128,098
Results from operations	11,940	5,527	(2,760)	14,707
Finance cost	(1,746)	(1,063)	(50)	(2,859)
Share of results of associates	-	-	3,472	3,472
Profit before tax	10,194	4,464	662	15,320

Business segment analysis	Property development and resort operations	Property Investment	Investment holding and others	Consolidated
	RM'000	RM'000	RM'000	RM'000
YTD ended 30 June 2009				
Revenue	106,357	5,563	-	111,920
Results from operations	27,464	(4,123)	(180)	16,285
Finance cost	(1,423)	-	(455)	(1,878)
Share of results of associates	-	-	1,743	1,743
Profit/ (loss) before tax	26,041	(4,123)	1,108	23,027

A10. Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended 31 December 2009.

A11. Material events subsequent to the end of interim period

There were no material events subsequent to the end of the current quarter up to the date of this report that have not been reflected in the interim financial statements, except as follows:

(i) As announced on 2 August 2010, Nagasari Cerdas Sdn Bhd, a wholly-owned subsidiary of the Company had entered into a Shareholders' Agreement with Global Corporate Development Sdn Bhd, to govern a newly incorporated joint venture company, namely Goldhill Quest Sdn Bhd ("GQSB"), for the purpose of participating in a joint venture for the development of the Properties as defined below :

(a) GQSB had on 2nd August 2010 entered into a conditional Sale and Purchase Agreement with Danga Bay Sdn Bhd ("DBSB") to acquire a freehold land held under H.S.(D) 471884, PTB 22902, Bandar Johor Bahru, District of Johor Bahru and State of Johor, measuring approximately 126,550 square meters equivalent to 1,362,171 square feet (Land 1") for a cash consideration of RM258,812,490, representing approximately RM190 per square foot ; and

(b) GQSB had also on 2nd August 2010 entered into a conditional Sale and Purchase Agreement with DBSB to acquire a freehold land held under H.S.(D) 471883, PTB 22901, Bandar Johor Bahru, District of Johor Bahru and State of Johor, measuring approximately 24,280 square meters equivalent to 261,347 square feet ("Land 2") for a cash consideration of RM49,655,930, representing approximately RM190 per square foot.

A12. Changes in composition of the Group

There were no changes in composition of the Group during the current quarter, except as follows:

(i) As announced on 7 June 2010, the Company and Winmark Holdings Limited ("Winmark") had mutually agreed to terminate the Sale and Purchase of Shares Agreement dated 7 April 2010 entered into by the Company to purchase 37,500 ordinary shares of USD1 each in Transglobal Limited ("TGL"), representing 75% equity interest in TGL, from Winmark; and

(ii) As announced on 7 June 2010, the Company has entered into a Sale and Purchase of Shares Agreement to dispose of 12,500 TGL Shares, representing 25% equity interest in TGL to Winmark.

A13. Changes in contingent liabilities or contingent assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date as at 31December 2009.

A14. Capital commitments

	As at 30/06/10 RM'000	As at 31/12/09 RM'000
Approved and Contracted for:		
- Land held for development	51,944	129,264
- Property, plant and equipment/ property development costs	74,339	90,043
	126,283	219,307

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B1. Performance review

The Group registered profit before tax of RMRM8.7 million on the back of revenue of RM69.7 million for the current quarter ended 30 June 2010. In comparison, the pre-tax profit for the corresponding quarter last year was RM7.1 million on the back of revenue of RM67.1 million.

The Group's revenue for the 6 months ended 30 June 2010 of RM128.10 million reflected an increase of RM16.18 million or 14.45% compared to the revenue for the preceding year corresponding period of RM111.92 million. The profit before taxation of RM15.32 million in the current period to-date reflected a decrease of RM7.71 million or 33.45% compared to RM23.03 million in preceding corresponding period.

The higher revenue was mainly due to the higher revenue from the Tropicana City Mall and certain on-going commercial and residential development. The lower profit before taxation during the current 6 months was mainly attributable to the higher administrative expenses particularly staff and other costs incurred in the mall operation and professional charges and statutory costs incurred on project-related matters. During the first half of financial year 2009, the Group benefitted from recognition of gains from the disposal of land by Mawar Hebat Sdn Bhd and a capital repayment on the Group's investment in MTD InfraPerdana Bhd amounting to RM13.95 million.

B2. Variation of results against preceding quarter

	Quarter ended	
	30/06/10	31/03/10
	RM'000	RM'000
Revenue	69,726	58,372
Consolidated profit before taxation	8,718	6,602

For the current quarter review, the Group's registered revenue and profit before taxation of RM69.73 million and RM8.72 million respectively. These reflected an increased of RM11.36 million and RM2.12 million respectively as compared to the preceding quarter of RM58.37 million and RM6.60 million for revenue and profit before taxation respectively.

The higher revenue and profit before taxation in the current quarter were mainly from the Tropicana City Mall operations and the on-going commercial and residential development.

B3. Prospects

Given the prevailing economic market conditions, the Directors are of the opinion that the property market remains very challenging and competitive. However, the management would continue to exercise financial discipline, be focused and innovative and adopt various measures to improve operational efficiencies and enhance customer loyalty.

Hence, barring any unforeseen circumstances, our Group is optimistic of achieving satisfactory performance for FYE 31 December 2010.

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B4. Profit forecast or profit guarantee

No profit forecast or profit guarantee was issued for the financial period.

B5. Taxation

	Individual quarter		Year to date	
	30/06/10 RM'000	30/06/09 RM'000	30/06/10 RM'000	30/06/09 RM'000
Tax expense for the period	4,773	2,393	9,197	7,476
Overprovision of tax for the previous financial year	-	(1)	-	(33)
Deferred tax transfers	(522)	(897)	(1,490)	(1,307)
	4,251	1,495	7,707	6,136

The effective tax rates were disproportionate to the financial results principally due to losses incurred by certain subsidiaries and certain expenses not deductible for tax purposes.

B6. Sale of unquoted investments and properties

There were no sales of unquoted investments and properties outside the ordinary course of the Group's business for the financial period under review.

B7. Quoted securities

Details of purchases and disposals of quoted securities are as follows:

	Individual quarter		Year to date	
	30/06/10 RM’000	30/06/09 RM’000	30/06/10 RM’000	30/06/09 RM’000
Purchase consideration	33,320	-	33,320	-
Sale proceeds	-	-	19,304	2,323
Gain on disposal	-	-	127	555

	As at 30/06/10 RM’000	As at 30/12/09 RM’000
Available-for-sale investments:		
At cost	132,550	118,718
At carrying value/ book value	75,830	66,873
At market value	75,830	68,419

B8. Corporate Proposals

i) Status of corporate proposals

There were no corporate proposals announced which have not been completed as at the date of this report.

ii) Status of Utilisation of Proceeds.

The issuance of 194,719,187 new ordinary shares of RM1.00 each pursuant to the two-call Rights Issue at an issue price of RM1.00 per ordinary share (of which the RM0.80 was payable in cash on application and the RM0.20 was payable out of the Company's share premium account) with 129,812,791 free detachable warrants 2009/2019 had raised total gross proceeds of RM155.775 million, which had been utilized as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Balance	Intended Timeframe for Utilization	Deviation	
	RM'000	RM'000	RM'000		RM'000	%
Working Capital	154,775	154,775	-	Year 2010	-	-
Defraying Expenses	1,000	338	662	Year 2010	-	-
Total	155,775	155,113	662			

B9. Borrowings

	As at 30/06/10 RM'000	As at 31/12/09 RM'000
Secured short term borrowings	30,699	60,864
Secured long term borrowings	170,155	89,520
	200,854	150,384

All of the above borrowings are denominated in Ringgit Malaysia.

B10. Off balance sheet financial instruments

There were no off balance sheet arrangement entered into nor were there any off balance sheet financial instruments issued as at the date of this report.

B11. Material litigation

There has been no material litigation of which the value exceeds 5% of the Group's net tangible assets as at 17 August 2010, being 7 days prior to the date of this report.

B12. Dividend payable

There was no dividend proposed for the quarter under review.

B13. Earnings per share

a) Basic earnings per ordinary share

Basic earnings per share amounts were calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual quarter		Year to date	
	30/06/10	30/06/09	30/06/10	30/06/09
Profit attributable to ordinary equity holders of the Company (RM'000)	2,636	4,448	3,100	14,015
Weighted average number of ordinary shares in issue ('000)	454,417	259,626	454,381	259,626
Basic earnings per share (sen)	0.6	1.7	0.7	5.4

(b) Diluted earnings per ordinary share

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares from the exercise of share options under the ESOS and the Warrants.

	Individual quarter		Year to date	
	30/06/10	30/06/09	30/06/10	30/06/09
Profit attributable to ordinary equity holders of the Company (RM'000)	2,636	4,448	3,100	14,015
Weighted average number of ordinary shares in issue ('000) for the purpose of basic earnings per share	454,417	259,626	454,381	259,626
Effects of dilution :				
- ESOS ('000)	-	-	-	-
- Warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	454,417	259,626	454,381	259,626
Diluted earnings per share (sen)	0.6	1.7	0.7	5.4

B14 Authorisation for issue

The interim financial statements were authorised for issuance by the Board of Directors in accordance with the Directors' resolution dated 24 August 2010.