NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2011

SECTION A - FRS 134 PARAGRAPH 16

1. ACCOUNTING POLICIES

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial repost should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2010. The explanatory notes attached to the interim financial report 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 30 June 2010.

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 30 June 2010, except for the adoption of new FRSs, amendments and IC Interpretations that are effective commencing 1 January 2010. The FRSs, which are effective commencing 1 January 2010 and have impact on the financial statements and applied by the Group are:

a) FRS 101: Presentation of Financial Statements (Revised)
FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised standard requires the presentation of third statement of financial position in the event that the entity has applied new accounting policy retrospectively. The adoption of this revised standard does not have any impact on the financial position and results of the Group.

b) FRS 139: Financial Instruments: Recognition and Measurement
FRS 139 requires the recognition, measurement and disclosure of financial assets and financial liabilities. The new accounting standard moves measurement from a cost base to fair value base for certain categories of financial assets and financial liabilities. The change in accounting policy is to be prospectively in accordance with the transitional provision of FRS 139. The adoption of this revised standard does not have any impact on the financial position and results of the Group.

2. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 30 June 2010 was not subject to any qualification.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

There were no significant seasonal and cyclical factors that affect the business of the Group in the current quarter under review.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flow in the current quarter under review.

5. MATERIAL CHANGES IN ESTIMATES

There were no changes in estimates of amount reported in prior financial year that have a material effect in the current quarter under review.

6. DEBTS AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter under review.

7. DIVIDENDS PAID

No interim dividend has been recommended for the financial year under review.

8. SEGMENTAL REPORTING

The segmental analysis for the Group for the quarter ended 31 March 2011 as follows:-

a) 9 months ended 31 March 2011

Description	Property Development & Construction (RM'000)	Investment Properties (RM'000)	Elimination (RM'000)	Consolidation (RM'000)
Revenue				
External Sales	-	8,453	-	8,453
Inter-segment Sales	-	10,143	(10,143)	-
Sub-total	**-**	**18,596**	(10,143)	**8,453**
Results				
Segment Results	(3,352)	(311)	(4,618)	(8,281)
Finance costs	(5,079)	(6,109)	4,618	(6,570)
Loss Before Taxation	**(8,431)**	**(6,420)**	-	**(14,851)**
Taxation	(1,371)	-	-	(1,371)
Loss After Taxation	**(9,802)**	**(6,420)**	-	**(16,222)**

b) 9 months ended 31 March 2010

Description	Property Development & Construction (RM'000)	Investment Properties (RM'000)	Elimination (RM'000)	Consolidation (RM'000)
Revenue				
External Sales	-	8,568	-	8,568
Inter-segment Sales	-	8,135	(8,135)	-
Sub-total	**-**	**16,703**	(8,135)	**8,568**
Results				
Segment Results	(1,847)	4,834	(3,891)	(904)
Finance costs	(3,803)	(8,264)	3,891	(8,176)
Loss Before Taxation	**(5,650)**	**(3,430)**	-	**(9,080)**
Taxation	-	(515)	-	(515)
Loss After Taxation	**(5,650)**	**(3,945)**	-	**(9,595)**

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no amendments to the valuation of property, plant and equipment from the previous financial statements for the financial year ended 30 June 2010 to the current quarter under review.

10. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the end of the current quarter under review that have not been reflected in the interim financial report for the current quarter.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter under review.

12. CHANGES IN CONTINGENT LIABILITIES/ASSETS

There were no changes in contingent liabilities or contingent assets as at the date of this report.

SECTION B –LISTING REQUIREMENTS

1. PERFORMANCE REVIEW

This 3rd quarter's result ended 31 March 2011 was forecasted to remain a loss as was expressed and explained in the last quarter's report ended 31 December 2010. This was mainly due to LakeHill Resort City (Lakehill) and APTEC projects which were not yet ready to launch pending financial funding exercise that have yet to be put in place for these high impact development projects. However, this low trend will be reversed once the construction works take-off.

While main focus is on the development of Lakehill and APTEC, presently the Group revenue will continue to rely on the rental income sources of Wisma MPL, Jalan Raja Chulan, Kuala Lumpur. The rental income remains low owing to the building being 33 years old which is not yet being renovated and upgraded.

This rental rate is anticipated to double once the building is upgraded. Plan is afoot to upgrade the building in close working relationship with the Joint Management Body.

The low revenue in the quarter was owed to major vacancy of five floors by one single-tenant contract having expired. However, two floors have being taken up by a major bank and this added income will only be reflected in the next quarter.

The current 3rd quarter under review recorded the revenue source only from Wisma MPL of RM2.30 million as compared to corresponding last quarter revenue of RM2.69 million. This situation will improve in the future quarters as the occupancy rate increases. There are tenancy renewals at substantial higher rental rate which took place after this quarter result under review. Hence, the next quarter is anticipated to record improvement over this quarter.

The current quarter result has cause temporary setback on net asset value per share ("Net Asset") from RM1.26 to RM1.21, owing to higher operating costs and stagnant income source as explained above.

2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

In the current quarter under review, the Group incurred a loss before tax of RM4.85 million as compared with the immediate preceding quarter loss before tax of RM5.16 million. It still registered a loss largely due to increasing operational and marketing activities, and professional costs in the design planning of Lakehill and APTEC projects. Large expenditure were also incurred on costs of printing brochures, overseas travel and road shows, advertising, exhibition and participation in various Government led trade and investment missions abroad to promote APTEC.

3. PROSPECTS FOR THE FINANCIAL YEAR

APTEC AND LAKEHILL RESORT CITY IN ISKANDAR MALAYSIA

Highlight

As updated from our 2nd Quarter report (ending December 2010), the Company is pleased to announce that Lakehill and APTEC are now confirmed qualified flagship development eligible for new fiscal incentives. Lakehill and APTEC is confirmed eligible to apply for 'Special Fiscal Incentives' exclusive only under Iskandar Malaysia, approved by the Government of Malaysia, located within the East gate "D" Zone, Iskandar Malaysia.

The above Incentives are applicable under the following industry sectors; (1) Tourism, (2) Healthcare and (3) Education which encompass in large what the Lakehill and APTEC development master plan is approved.

Based on the above, Lakehill and APTEC are eligible to apply for the following incentives:-

Fiscal incentive items:

1. ***Five (5) year corporate tax exemption on 100% statutory income derived from qualifying activities; or***
   Investment Tax Allowance (ITA) of 100% on qualifying capital expenditure incurred to be offset against 100% of statutory income for five (5) years

2. ***Import duty and sales tax exemption on machinery and equipment used directly in the company's qualifying activities***

Non-fiscal incentive items:

3. ***Flexibility to recruit and employ foreign knowledge workers***

4. ***Flexibility under the foreign exchange administration rules set by the Central bank of Malaysia***

The Prospect

The LakeHill Resort City and the APTEC will be a catalytic development in Iskandar Malaysia. It will be one of the largest investment of its kind in Asia. It will require strong capital and has taken time to plan and procure joint-ventures plus comprehensive financing, rather than piece-meal financing. However, upon successful financing being put in place, it will kickstart and contribute immensely to the rapid growth of the group. It will offer a diverse range of new businesses and opportunities for the group in future and the spillover effect of the economy will be enormous.

While the project size of Lakehill and APTEC far outreach the size of the company's capital, management is accepting the big challenges ahead to achieve various strategic partnerships and financing to meet the challenges.

Shareholders will be pleased to note that the property prices in Iskandar Malaysia has risen over the past one year and we foresee further increase in property prices in Iskandar Malaysia. The approved plan encompassed a linked highway running through Lakehill is anticipated to be completed by 2013. The Pasir Gudang Municipal Authority (MPPG) has indicated that work will start on the linked highway in Lakehill sometime in 2011 or early 2012.

WISMA MPL

- The valuation of Wisma MPL has increased over the period by basing on recent transacted prices of land in and nearby Wisma MPL. The continual plan is to unlock the value of Wisma MPL via a joint-venture to free the last outstanding debt of the company of about RM80 million owing to the bank and achieve positive cash reserve for operation and investment. It will transform the company into a turnaround debt-free situation without direct borrowing by the Company in future, to make it a holding and investment company under the Group's long term restructure visionary plan of growth and diversification. Future borrowings will be based on individual project borrowing basis.

- The proposed submitted plan of a new 50-storey office and/or cum residential tower plus the upgrading of the existing Wisma MPL office and shopping complex will be transferred to a Special Purpose Vehicle (SPV) for a specific joint-venture.

Conclusion

Barring unforeseen circumstances the prospect for the current reporting financial year would be fair and reasonable despite the losses, considering the facts. The plan strategic joint-ventures on Lakehill, APTEC and Wisma MPL will increase the Group's corporate standing on a higher plateau and create new impetus for future growth.

4. VARIANCES ON ACTUAL PROFIT FROM FORECAST PROFIT

This is not applicable to the Group.

5. TAXATION

	Current Quarter (RM'000)	**Current To-Date (RM'000)**
Taxation based on results for the financial years:		
Current financial year	-	-
Underprovision in prior financial years	1,371	1,371
	1,371	**1,371**
Deferred taxation:		
Current financial year	-	-
Overprovision in prior financial years	-	-
Total	**-**	**-**

6. PROFITS/(LOSSES) ON SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments or properties for the current quarter ended 31 March 2011.

7. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no purchases or disposal of quoted securities by the Group in the current quarter under review.

8. STATUS OF CORPORATE PROPOSAL BUT NOT COMPLETED

There were no outstanding corporate proposals announced for the current quarter under review.

9. OTHER PAYABLES

Included in other payables is amounting to RM8,867,728 due to major shareholder of the Company. The amount owing is unsecured and with no fixed terms of repayment and at an approved interest rate of 13% to 15% per annum by the Board of Directors.

10. GROUP BORROWINGS

Total Group's borrowings as at 31 March 2011 are as follow: -

	Short Term Secured (RM'000)	**Long Term Secured (RM'000)**	**Total (RM'000)**
Hire Purchase Creditors	294	1,046	1,340
Revolving Credit	25,704	-	25,704
Bank Overdraft	53,244	-	53,244
Total	**79,242**	**1,046**	**80,288**

11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments entered by the Group as at the date of this quarterly report.

12. MATERIAL LITIGATION UPDATES

Several of the following litigation cases have been resolved or withdrawn (as per shown marked *). There is no new litigation.

*a. <u>Court of Appeal Civil Appeal No. W-02(IM)02384-09 (pursuant to Kuala Lumpur High Court Civil Suit No. D6(R3)-24-28-2009)</u>

This appeal has been withdrawn by TBBM upon legal advice that the sum in dispute would be small even if we succeeded. The said appeal was about the decisions of the High Court on 11th September, 2009, namely: (i) TBBM's application to set aside and/or vary the Arbitration Award; and (ii) DCSB's application to register the Arbitration Award was hence withdrawn.

*b. Kuala Lumpur High Court Suit No. S2-23-29-2006

The suit by four (4) former directors of the Company, En. Chut Nyak Isham bin Nyak Ariff, Dato' Yusof bin Jusoh, Tengku Sharif Syed Amir Abidin Jamalullail and Dato' Thomas Teng Poh Foh (deceased) (collectively known as the "Plaintiffs") for claim against the Company of alleged defamation was withdrawn against the company and recorded by the Judge in chamber in Kuala Lumpur High Court on 30 March 2011.

c. Johor Bahru High Court Suit No. 22-702-2005 merging Kuala Lumpur High Court Suit No.S3-22-1176-2006 to be heard concurrently

The Company and its subsidiary, TBBM (collectively known as "the Plaintiffs") first commenced a civil action on 14 October 2005 vide Johor Bahru High Court Suit No. 22-702-2005 against the former Group General Manager of the Company and TBBM, En. Zulhaimi bin Nordin as well as the former Group Managing Director and Group Chief Executive Officer of the Company and TBBM, En. Chut Nyak Isham Bin Nyak Ariff, including Inta Development Sdn Bhd ("Inta") and Inta directors and others (collectively known as "the Defendants") for alleged non-disclosed connected parties transaction in respect of the sale of land owned by TBBM held under PTD 149705 H.S (D) 310451, Mukim Plentong, Daerah Johor Bahru and for breach of Section 132(E) of the Companies Act by the Defendants.

The Defendants attempt to strike out was dismissed by the Registrar on 15 November 2007. The Defendants appeal was again dismissed on 08 July 2009 with cost in favour of the Company and TBBM.

The trial commenced on 21st to 23rd March, 2011 and continued on 22nd to 25th May, 2011. The outcome of the case is awaiting the decision of the Court.

*d. Kuala Lumpur High Court Suit No. S4-22-82-2006

This case which the Company and the subsidiary TBBM (collective "the Plaintiffs") commenced a civil action on 14 November 2005 against former directors of the Company namely, En. Chut Nyak Isham bin Nyak Ariff, Dato' Yusof bin Jusoh, YAM Tengku Syarif Syed Amir Abidin Putra Jamalullail, Dato' Thomas Teng Poh Foh (deceased) and Pn. Asnah bt. Mohd Salleh and other connected parties, namely, Warisan Alam Enterprise Sdn Bhd, Bumialpha Sdn Bhd, Dion Sharil Bin Chut Nyak Isham, Intan Safina Binti Yusof and Aishah Binti Mohd Jelani (collectively known as "the Defendants"), for inter-alia breach of Section 132(E) of the Companies Act 1965 and abuse of authority which the Defendants filed their counter claim.

The Defendant offered a settlement out of court with a token compensation of RM50,000 plus the conditional withdrawal of their counter claim against the Company. The former directors withdrew the Kuala Lumpur High Court Suit No. S2-23-29-2006 against the Company. The case was settled on 18 March 2011 after the Company and TBBM finally agreed to withdraw the action.

e. Johor Bahru High Court Suit No. 22 - 174 - 2007

TBBM ("the Plaintiff") commenced a civil action on 10 April 2007 against Scientex Quatari Sdn Bhd ("the Defendant") in relation to illegal encroachment, trespassing and erosion damages on the Plaintiff's land held under PTD 149729 HS(D) 310467, Mukim Plentong, Daerah Johor Bahru ("the said Land") and sought relief for compensation and damages. A full trial was fixed on 21 October 2010 and 22 October 2010 for clarification and submission on 02 November 2010. On 19 November 2010 the Court allowed the Plaintiff's claim for a token damage award which the Plaintiff decided was unreasonable and had filed an appeal on 29 November 2010 against the Judge's decision. It is now pending the setting down of hearing date by the Court of Appeal.

f. Kuala Lumpur High Court Suit No. S3-22-1236-2007

TBBM as the Plaintiff had on 22 October 2007 commenced a legal action against Chut Nyak Isham Bin Nyak Ariff, the former Group Managing Director and Chief Executive Officer of the Company and TBBM, Dato' Yusoh Bin Jusoh, the former Chairman/Director of the Company and TBBM and one Ikmal Nazarin Bin Junid (Ikmal) (collectively known as "the Defendants") in relation to the sale of TBBM's two approved petrol service stations known as Unit No. 12BC (1st Parcel) and Plot 12A and 12D in the Mukim of Plentong, District of Johor Bahru to a third party in suspicious circumstances at prices well below the actual market prices which Ikmal immediately resold the Parcel at huge profits.

TBBM's claim against the Defendants are for 2 parcels of land, the sum of RM1,428,200 on the sale of the 1st Parcel and RM1,152,531 on the sale of the 2nd Parcel plus claim for other losses and damages to be assessed.

Ikmal Nazarin Bin Junid filed an application to strike out TBBM's claim on 08 October 2009, but was dismissed by the learned judge with cost in favour of TBBM. No trial date has been fixed yet. The Court has fixed 11th July, 2011 for case management.

g. Johor Bahru High Court No. MT5-22-731-2009

Pembinaan Proli Sdn Bhd ("Proli") claimed against Taman Bandar Baru Masai Sdn Bhd ("TBBM") for RM1,438,430 for the construction cost of the JB Sales Office at Nusa Damai, Mukim Plentong, Daerah Johor Bahru, Johor.
The sum was disputed by TBBM including that payment, if any, was not in cash but was supposed to be contra against the purchase of another land by Proli; and any surplus land cost to be paid by Proli to TBBM in cash. Proli failed to purchase the said land. The Plaintiff filed an application for Summary Judgement but was dismissed on 20 May 2010 with costs to TBBM. The Court has fixed 21st to 22nd September, 2011 for hearing.

No provision has been made in the financial statements of the Group as the Directors have been advised by their solicitors that the Group's prospect in defending the claim is promising.

*h. Johor Bahru Session Court No. 52-2034-2010

UNP Design Sdn Bhd ("UNP") claimed against Taman Bandar Baru Masai Sdn Bhd ("TBBM") for RM105,897.50 being the alleged outstanding balance of payment plus interest for Interior Design and Furnishing Work for the Show Unit for Phase 4M at Nusa Damai, Mukim Plentong, Daerah Johor Bahru, Johor. The Court has fixed the matter for Hearing on 01 June 2011 and 02 June 2011. Meantime there is discussion of a discount and settlement between the parties which may be settled before the hearing date.

However, for reason of prudence, the full amount was provided in the current financial statements of the Group.

i(a). Kuala Lumpur High Court (Civil) No: S22-NCVC-69-2010

On 26 October 2010, MPC Properties Sdn Bhd ("MPC") filed a writ against Hong Leong Bank Berhad and Hong Leong Assurance Berhad (collectively known as "the Defendants") to claim value of RM4,076,653 pursuant to unpaid double rental plus reinstatement costs for the vacated premises in Wisma MPL, Jalan Raja Chulan, Kuala Lumpur of which the Defendants were tenants.

The case was struck out by the judge on 10th February, 2011 for a failure by both parties' solicitors to comply with his direction on filing a common bundle of documents. Parties have been given liberty to file fresh suits. MPC has filed fresh application on this claim. However, the Defendants have in turn also filed a fresh action under a new case stated below in i(b).

i(b). Kuala Lumpur High Court (Civil) No: 22 NCVC-230-2011

This is a mirror suit of S22-NCVC-69-2010. On 21st March, 2011, Hong Leong Bank Berhad and Hong Leong Assurance Berhad (The Plaintiffs) filed a fresh suit against MPC Properties Sdn Bhd (The Defendant) claiming for the refund of rental deposits. The Defendant has filed the defence and counter claim for unpaid rental, double rental for late vacant possession and reinstatement cost incurred for the premises. The Plaintiffs have filed an application for Summary Judgement and the Defendant has filed an opposing application for Summary Judgement and contended that this case cannot be disposed summarily on affidavit.

Our solicitors are of the opinion that the Defendant has a good chance of winning against the Plaintiffs.

j. Kuala Lumpur High Court (Civil) No. D22NCC-1500-2010

On 3rd August, 2010, Messrs Kamil Hashim Pury & Lim ("the Plaintiff") filed a writ against Lakehill Resort Development Sdn Bhd ("the Defendant") claiming RM443,637.50 being the alleged professional fee for services allegedly rendered. The

Defendant contended that the Plaintiff was never appointed as solicitor to represent the company nor the purchaser in the sale and purchase agreement.

The Plaintiff filed an application for Summary Judgement but was struck off. The Court has yet to fix a new hearing date of a full trial.

Our solicitors are of the opinion that we have a good defense.

13. DIVIDEND

There were no dividends declared by the Group in the current quarter under review.

14. (LOSS)/EARNINGS PER SHARE

Basic loss per share

	Current Quarter Ended 31/3/2011	**9 months Cumulative 31/3/2011**	**Comparative Quarter Ended 31/3/2010**	**9 months Cumulative 31/3/2010**
Net loss attributable to equity holders of the Company (RM'000)	(5,821)	(15,041)	(3,225)	(9,150)
Weighted average number of ordinary shares in issue ('000)	(192,772)	(192,772)	(172,597)	(172,597)
Basic loss per share (sen)	(3.02)	(7.80)	(1.89)	(5.30)

15. REALISED AND UNREALISED PROFIT OR LOSSES

	31.12.2010 RM'000	Current Quarter 31.03.2011 RM'000
Total retained profits of the Group and its subsidiaries:		
Realised profit/(loss)	(3,317)	(5,821)
Unrealised profit	59,817	66,601
	56,500	60,780
Less: Consolidation adjustments	-	-
Total group retained profits as per consolidation accounts	56,500	60,780

16. AUTHORISED FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 May 2011.

By order of the Board

Dated: 30 May 2011