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 FRS 134_{2004} "Interim Financial Reporting" issued by Malaysian Accounting Standards Board and paragraph 9.22 of the 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 2010. 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 2010.

A2. Changes in Accounting Policies

The significant accounting policies are consistent with those adopted for the Audited Financial Statements for the year ended 31 December 2010. On 1 January 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010:-

FRSs/Amendments	Title	Effective Date
FRS 7	Financial Instruments: Disclosures	01 January 2010
FRS 101	Presentation of Financial Statements (Revised)	01 January 2010
Amendments to FRS 117	Leases	01 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	01 January 2010
Amendments to FRS 139	Financial Instruments: Recognition and measurement	01 January 2010

The adoption of the relevant FRSs/ Amendments did not have any effect on the financial performance or position of the Group and of the Company except as below:

FRS 7 *Financial Instruments: Disclosures*

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 *Financial Instruments: Disclosure and Presentation.* FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company has applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group and the Company's financial statements for the year ended 31 December 2010.

FRS 101 *Presentations of Financial Statements (Revised)*

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company has elected to present this statement as one single statement.

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 classification of items in the financial statements.

The revised FRS 101 also requires the Group and the Company to make new disclosures to enable users of the financial statements to evaluate the Group and the Company's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

Amendments to FRS 117 (*Leases*)

The amendments to FRS 117: *Leases* clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group and the Company has applied this change in accounting policy retrospectively and certain comparatives have been restated as disclosed in Note 38 to the financial statements.

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. There were no any material effects arising from the adoption of this standard.

A3. Audit Qualification of Preceding Annual Financial Statements

The Audited Financial Statements for the year ended 31 December 2010 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. The business operations are cyclical in nature which dependent on the economic conditions in the state of Perak. The prevailing economic conditions have affected the Group's financial results.

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.

A6. Changes in Estimates

There were no changes in the estimates that have 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 RM5,296,250 nominal value of Irredeemable Convertible Preference Shares into 7,414,750 new ordinary shares from 11th April 2011 until 31st December 2011 with a conversion basis of every 10 units of ICPS to 7 units of ordinary shares.

A8. Dividend

On 27th July 2011, the Company had paid dividend of 1% per Irredeemable Convertible Preference Shares in respect for the period from 8th April 2010 to 7th April 2011.

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 2010.

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 31 December 2011 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 2010.

A14. Capital Commitments

There were no capital commitments in the financial statements as at 31 December 2010 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 period ended 31 December 2011 of RM19.54 million was higher compared with the revenue of RM16.07 million recorded in the preceding year's corresponding period which resulted in a favourable variance of 21.59%. The increment was mainly from the sales of land and project management income compared to the preceding year's corresponding period.

The profit before tax from continuing operations in the current year to-date of RM2.48 million was 184.93% higher in comparison to (RM2.92 million) losses before tax from continuing operations recorded with the preceding year's corresponding period. This was mainly due to decrement of cost of sales and administrative expenses undertaken in the current year to date.

The Group's Net Assets per share as at 31 December 2011 has declined to RM1.22 compared to RM1.27 as at 31 December 2010.

B2. Comparison with Preceding Quarter's Results

	Quarter ended	
	30 Dec 11	**30 Sep 11**
	RM'000	**RM'000**
Revenue	6,706	3,524
Profit before taxation from continuing operations	3,156	708

For the current quarter under review, the Group's revenue of RM6.71 million has increased by RM3.19 million compared to the preceding quarter of RM3.52 million. The Group had recorded profit before tax from continuing operations of RM3.16 million compared to profit before tax from continuing operations of RM0.71 million recorded in the preceding quarter under review. The increment of profit before tax from continuing operations was due to higher revenue recognised and decrease in cost of property development in the current quarter under review.

B3. Current Year Prospects

The Group achieved positive results in the year 2011 and is in the process of restructuring its subsidiaries to streamline operations whilst focusing on costs reduction efforts to bring about cost efficiency and profitability.

B4. Profit Forecast

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

B5. Income Tax Expense

The taxation for the current financial quarter consists of the followings:

	Current Quarter 3 months ended 31 Dec 2011 RM'000	**Cumulative Quarter 12 months ended 31 Dec 2011 RM'000**
Current year provision	(241)	(405)
	(241)	(405)

The Group's tax rate for the current financial period is higher than the statutory tax rate principally due to there is no any non-deductible expenses have being calculated.

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

The movements of quoted securities in the financial period were as follows :-

	Cumulative Quarter 12 months ended 31 Dec 2011 RM'000
Balance at the beginning of the year	800
Disposal of quoted investment	(24)
Balance at the end of the period, at book value	776
Disposal of quoted investment:	
Sale proceeds	47
Cost of the quoted investment	(24)
Profit on disposal	23

There were no purchases or disposal of quoted securities for the current financial quarter.

B8. Corporate Proposals

i. On 6th April 2011, the Company has offered to Majuperak, a wholly-owned subsidiary of the Company, the management of the proposed development of palm oil plantation in Mukim of Lenggong, District of Hulu Kinta, Perak measuring approximately 5,000 acres in area. On 7 April 2011, Majuperak has accepted the offer and a premium for the land amounting to of RM2.8 million has been duly paid by the Company to the relevant state authorities. Upon execution of a formal management agreement, a sum of RM1.0 million as commitment fees shall be paid by Majuperak to the Company. In consideration of Majuperak's agreement to manage the said proposed development of palm oil plantation, Majuperak is expected to receive payment in the form of a profit sharing basis with the Company. Both parties have signed the said management agreement on 23rd August 2011.

ii. TDSB, a wholly-owned subsidiary of MHB, has offered to sell a piece of land measuring 52.79 acres in Bandar Baru Tapah Road, Mukim of Batang Padang, District Batang Padang, State of Perak Darul Ridzuan to Caely (M) Sdn Bhd ("Caely"), vide the letter of offer dated 13 April 2011 for the proposed mixed development of Bandar Baru Tapah. Caely and/or its subsidiary shall undertake and agree to construct the main infrastructure which covers the entire land which shall include the construction of the earth works, roads, drainage, street lightings which will eventually enhance the value of the adjacent land, owned by TDSB. By virtue of the abovesaid arrangement, TDSB is expected to get a return of investment, in terms of cash consideration and in kind estimated at RM3.6 million.

B9. Borrowings

Total Group borrowings as at 31 December 2011 are as follows:

	31 Dec 2011 RM'000	31 Dec 2010 RM'000
Current: secured	275	727
Non Current: secured	-	-

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, 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.

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 2011	ended 31 Dec 2010	**ended 31 Dec 2011**	ended 31 Dec 2010
	RM'000	RM'000	**RM'000**	RM'000
Continuing operations:				
Net profit/(loss) attributable to shareholders (RM'000)	2,091	968	1,249	(757)
Weighted average number of shares in issue ('000)	169,372	161,956	169,372	161,956
Basic earnings/(loss) per share (sen)	**1.23**	0.60	**0.74**	(0.47)
Discontinued operation:				
Loss from discontinued operations(RM'000)	(0)	(0)	(0)	(16)
Weighted average number of shares in issue ('000)	169,372	161,956	169,372	161,956
Basic loss per share (sen)	**(0.00)**	(0.00)	**(0.00)**	(0.01)

b) Diluted earnings/(loss) per share

For the diluted earnings/(loss) 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, RCSLS and RCULS into ordinary shares.

	Individual quarter		Cumulative quarter	
	Ended 31 Dec 2011	ended 31 Dec 2010	**ended 31 Dec 2011**	ended 31 Dec 2010
	RM'000	RM'000	**RM'000**	RM'000
Continuing operations:				
Net profit/(loss) attributable to shareholders (RM'000)	2,601	288	1,759	(1,436)
Weighted average number of shares in issue ('000)	169,372	161,956	169,372	161,956
Conversion of ICPS ('000)	178,941	194,073	178,941	194,073
Weighted average number of shares in issue ('000)	348,313	356,030	348,313	356,030
Diluted earnings/(loss) per share (sen)	**0.75**	0.08	**0.51**	(0.40)

Discontinued operation:

Loss from discontinued operation (RM'000)	(0)	(0)	(0)	(16)
Weighted average number of shares in issue ('000)	169,372	161,956	169,372	161,956
Conversion of ICPS ('000)	178,941	194,073	178,941	194,073
Weighted average number of shares in issue ('000)	348,313	356,030	348,313	356,030
Diluted loss per share (sen)	**(0.00)**	(0.00)	**(0.00)**	(0.005)

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 **24th February 2012.**