NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134: Interim Financial Reporting 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 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 financial position and performance of Group since the year ended 31 December 2009.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new FRSs, Amendments to FRSs and Interpretations by the Group with effect from 1 January 2010:

FRS 4 - Insurance Contracts
FRS 7 - Financial Instruments: Disclosures
FRS 8 - Operating Segments
FRS 101 - Presentation of Financial Statements (revised)
FRS 123 - Borrowing Costs
FRS 139 - Financial Instruments: Recognition and Measurement
Amendments to FRS 1 - First-time Adoption of Financial Reporting Standards and FRS 127: 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 - Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRSs ‘Improvement to FRSs (2009)

A2. Changes in Accounting Policies (continue)

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
FRS 119 – The Limit on a Defined Benefit Asset, Minimum
Funding Requirements and their Interaction
TR i – 3 – Presentation of Financial Statements of Islamic Financial Institutions

Unless otherwise describe below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

a) FRS 8: Operating Segments

Segment Reporting 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, there will be no impact on the financial position or results of the Group.

b) FRS 101: Presentation of Financial Statements

The revised FRS 101 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 in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expenses recognized in the period. This statement may be presented in one single statement, or two linked statements. As this is a disclosure standard, there will be no impact to the financial position or results of the Group.

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. Segment Information

Period ended 30 September 2010

Business Segments	Construction and Property RM'000	Hostel Management RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
Revenue from External customer	62,255	4,417	80,894	-	147,566
Inter-segment revenue	52	-	-	(52)	-
Total revenue	62,307	4,417	80,894	(52)	147,566
Operating (loss)/profit	(3,269)	362	7,294	-	4,387
Financing expenses					(1,781)
Financing income					81
Profit before tax					2,687
Taxation					(2,498)
Profit after tax					189

A5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2010.

A6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter's results.

A7. Comments about Seasonal or Cyclical Factors

The business of the Group was not affected by any significant seasonal or cyclical factors for the financial period under review.

A8. Dividends Paid

No dividend has been paid out during the quarter under review.

A9. Carrying Amount of Revalued Assets

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

A10. Debt and Equity Securities

There were no issuances, cancellations, repurchase, resale and repayments of debt and equity securities during the current quarter under review.

A11. Changes in Composition of the Group

There was no change in the composition of the Group for the current quarter under review.

A12. Capital Commitments

The amount of commitments for the property, plant and equipment not provided for in the interim financial statements as at 30 September 2010 is as follows:

	RM'000
Approved and contracted for	1,215

A13. Changes in Contingent Liabilities and Contingent Assets

Contingent liabilities of the Company refer to bank guarantees and corporate guarantees extended in support of banking and credit facilities utilised by its subsidiaries. Contingent liabilities decreased from RM56.53 million as at 31 December 2009 to RM51.27 million as at 30 September 2010.

A14. Subsequent Events

There were no material events subsequent to the end of the current quarter.

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

B1. Performance Review

The Group posted higher revenue of RM42.59 million in the current quarter compared to RM28.19 million in the previous corresponding quarter, representing an increase of 51.08%. However, the Group recorded lower profit before tax of RM1.88 million compared to RM2.14 million for the respective periods. The increase in revenue was mainly driven by the higher revenue contributions from construction and property division as well as the manufacturing division. Lower profit recorded in the current quarter was mainly resulted by higher operating cost of the hostel and higher administration expenses at the holding company level.

B2. Comment on Material Change in Results against the Preceding Quarter

The Group’s revenue decreased from RM52.16 million in Quarter 2 2010 to RM42.59 million in the current quarter. The decrease was mainly due to lower revenue from Ijok Alam Perdana project.

The Group recorded profit before tax of RM1.88 million in Quarter 3, 2010 as compared to a loss before tax of RM0.25 million in the previous quarter. Loss before tax recorded in Quarter 2, 2010 was mainly due to higher operating cost of the hostel and lower gross profit margin from for construction and property division.

B3. Commentary on Prospect

The global economy is still fundamentally fragile with recovery uneven and growth remains highly dependent on the government support. Accordingly, the Directors foresee that the operating environment of the Group remain challenging and competitive. As a result, the Group will continue to exercise prudent management and focus on its affirmative measures to minimize its impact.

B4. Profit Forecast or Profit Guarantee

Not applicable.

B5. Income Tax Expense

	Current Quarter		Cumulative Quarter	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM’000	RM’000	RM’000	RM’000
Continuing Operations:-				
Current tax:				
Current period’s provision	1,887	170	2,498	183

B6. Sale of Unquoted Investments and Properties

There is no sale of unquoted investments and / or properties during the quarter under review.

B7. Quoted Securities

There was no sale of quoted securities during the quarter under review.

B8. Status of Corporate Proposal

(a) Utilisation of Proceeds from Disposal of Environmental Services Division

The total proceeds raised by the Company from the disposal of the Environmental Services Division were RM30.7 million. The status of utilisation of the proceeds is as follows:

	Approved utilisation RM'000	Utilised as at Aug 2010 RM'000	Balance yet to be utilised RM'000
Repayment of bank borrowings	25,900	25,900	-
Working capital of the Group	4,626	4,500	126
Expenses relating to the Disposal	174	174	-
	30,700	30,574	126

(b) On 22 December 2009, the Company and TTDI KL Metropolis Sdn. Bhd. ("TKLM"), a wholly-owned subsidiary of Naza TTDI Sdn. Bhd. (collectively referred to as the "JV Parties") had entered into a shareholders' agreement ("Proposed Shareholders' Agreement") to form a joint venture company known as TTDI Jetson Sdn. Bhd. ("TTDI Jetson") to facilitate the joint venture arrangement between the JV Parties to carry out the planning, design, construction including interior design works for an exhibition centre building located off Jalan Duta, Kuala Lumpur ("Matrade Centre") and to develop a plot of land measuring approximately 62.45 acres currently forming part of title Geran 61092, Lot 50978 Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ("Exchange Land") which will be transferred from the Government of Malaysia to TKLM in exchange for the Matrade Centre.

The construction of the Matrade Centre and the development of the Exchange Land shall hereinafter collectively be referred to as the "Ventures".

The Proposed Shareholders' Agreement formalizes and sets out the basic terms of the relationship of the JV Parties via their respective investment participation in the Ventures through TTDI Jetson to carry out the Ventures on a commercial basis and in the spirit and in the manner set out in the said agreement.

B8. Status of Corporate Proposal (continue)

The Proposed Shareholders' Agreement also provides for the equity structure of TTDI Jetson to be 51% owned by TKLM and 49% owned by Kumpulan Jetson Berhad. The initial authorized share capital of TTDI Jetson shall be RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each. The initial paid-up share capital of TTDI Jetson is proposed to be RM250,000 divided into 250,000 ordinary shares of RM1.00 each.

The shareholders of the Company had on 30 March 2010 approved the Proposed Shareholders' Agreement.

On 3 September 2010, the Company received a notice of termination from TKLM to terminate the Proposed Shareholders' Agreement dated 22 December 2009 entered into between TKLM and the Company.

The termination is due to TKLM and the Company's inability to come to agreement on certain commercial terms relating to, inter alia and project costs.

B9. Borrowings

The Group's borrowings at the end of the quarter under review:

a) are secured by way of negative pledge, legal charge and / or corporate guarantees executed by the Company

b) are segregated into short and long term as follows :

	RM'000
Short Term	29,303
Long Term	9,031

c) are denominated in RM.

B10. Off Balance Sheet Financial Instruments

There is no financial instrument with off balance sheet risk at the date of this report.

B11. Status of Material Litigation

The Company made various claims against Xin Yiap Project Consultants Sdn Bhd (formerly known as Xin Yiap Management Services Sdn Bhd) (“Xin Yiap”) by way of arbitration proceedings arising out of a construction contract in respect of superstructure works on 3 Blocks of 5-Storey Apartments for “Cadangan Skim Perumahan Di Atas Lot 2851, Mukim Cheras, Daerah Ulu Langat, Selangor” (“Project”). The Company was the contractor employed by Xin Yiap in the Project and the works were completed and a Certificate of Practical Completion was issued.

The works were completed later than the time stipulated in the contract due to events which caused delay and which form part of the disputes in the arbitration. The Company succeeded in obtaining the Arbitrator’s Award on 23 March 2004 and Xin Yiap failed in its counterclaim against the Company. The Arbitrator’s Award was challenged by Xin Yiap at the High Court and the High Court set aside the Arbitrator’s Award. The Company has filed for an appeal at the Court of Appeal against the decision of the High Court. On 31 May, 2010 the Court of Appeal dismissed the company’s appeal with cost. The company then filed an application for leave to appeal to the Federal Court and the court has fixed hearing for the appeal on 4th October, 2010.

On the 4th October 2010, the Federal Court dismissed the application for leave to appeal.

B12. Dividend Payable

The Board has not proposed any dividend for the current period to date.

B13. Earnings/(Loss) Per Share

(a) Basic

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the year attributable to ordinary equity holders of the company by the weighted average number of ordinary shares in issue during the financial period.

	Current Quarter		Cumulative Quarter	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM ‘000	RM ‘000	RM ‘000	RM ‘000
Profit attributable to ordinary equity holders of the company	87	1,998	370	2,452
Weighted average number of ordinary shares in issue	60,587	53,126	60,497	52,895
Effects of conversion of ICULS 2002/2012	4,029	6,061	4,029	6,061
Adjusted weighted average number of ordinary shares in issue and issuable	64,616	59,187	64,526	58,956
Basic earnings per share for (sen):				
Basic earnings for the period	0.13	3.38	0.57	4.17

B13. Earnings/(Loss) Per Share (continue)

(b) Diluted

For the purpose of calculating diluted earnings/(loss) per share, the profit/(loss) for the year attributable to ordinary equity holders of the company and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. detachable warrants ("Warrants").

	Current Quarter		Cumulative Quarter	
	36.06.2010	30.09.2009	30.06.2010	30.09.2009
	RM '000	RM '000	RM '000	RM '000
Profit attributable to ordinary equity holders of the company	87	1,998	370	2,452
Weighted average number of ordinary shares in issue	60,587	53,126	60,497	52,895
Increase in shares on conversion of ICULS 2002/2012	4,029	6,061	4,029	6,061
Effect of dilution - Warrants	5,001	-	5,001	-
Adjusted weighted average number of ordinary shares in issue and issuable	69,617	59,187	69,527	58,956
Diluted earnings per share for (sen):				
Diluted earnings for the period	0.12	-	0.53	-