

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

**Year ended 31 December 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	79,893	6,179	105,791	-	191,863
Inter-segment revenue	73	-	-	(73)	-
Total revenue	79,966	6,179	105,791	(73)	191,863
Operating (loss)/profit	(5,004)	2,654	8,991	-	6,641
Financing expenses					(2,233)
Financing income					107
Profit before tax					4,515
Taxation					600
Profit after tax					5,115

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 year ended 31 December 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 31 December 2010 is as follows:

	RM'000
Approved and contracted for	420

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 RM51.06 million as at 31 December 2010.

A14. Subsequent Events

- (a) On 18 January 2011, a 51% owned subsidiary of the Company, Jetson Development Sdn Bhd ("JDSB") had entered into a Sales & Purchase Agreement with Malaysia Building Society Berhad ("MBSB") to acquire three pieces of first grade freehold lands in Penang ("Properties") at a total cash consideration of RM14 million only.

The Properties comprise of three (3) pieces of first grade freehold lands in Penang held under three (3) individual issue documents of title bearing endorsement:

- i) Geran 12736, No. Lot 22, Seksyen 12, Bandar George Town, Daerah Timur Laut, Negeri Pulau Pinang, measuring approximately 2013.2359 square metres (21,671 square feet) in area;
- ii) Geran 34356, No. Lot 23, Seksyen 12, Bandar George Town, Daerah Timur Laut, Negeri Pulau Pinang, with a double storey pre-war bungalow or mansion erected thereon ("Building"), measuring approximately 2162.4333 square metres (23,277 square feet) in area and with the postal address of the Building known as No. 119, Jalan Macalister, 10400 Georgetown, Pulau Pinang ("Lot 23"); and

A14. Subsequent Events (continued)

iii) Geran 34357, No. Lot 24, Seksyen 12, Bandar George Town, Daerah Timur Laut, Negeri Pulau Pinang, measuring approximately 310.8434 square metres (3,346 square feet) in area.

MBSB is the registered proprietor of the Properties.

Lot 23 is currently occupied by the Vendor and utilized as the Vendor's Penang branch office.

The Properties are presently not charged or encumbered in any manner whatsoever in favour of any bank or financial institution.

The Properties are planned for the high-end property development with an estimated gross development value of approximately RM93 million.

- (b) On 31 January 2011, a wholly owned subsidiary of the Company, Jetson Construction Sdn Bhd ("JCSB"), had incorporated a 70% owned subsidiary known as Jetson Lucksoon Sdn Bhd ("JLSB"). The remaining 30% of the issued and paid-up share capital of JLSB is held by Lucksoon Metal Works Sdn Bhd ("LMWSB"). The certificate of incorporation of JLSB was received on 2 February 2011.

The authorised share capital of JLSB is Ringgit Malaysia One Hundred Thousand (RM100,000.00) only divided into 100,000 ordinary shares of RM1.00 each, of which 10,000 ordinary shares have been issued at par and fully paid-up.

The principal activity of JLSB is to carry on the business of contractor and designer of aluminium cladding, glazing, curtain walling and related aluminium works.

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 RM44.30 million in the current quarter compared to RM42.42 million in the previous corresponding quarter, representing an increase of 4.43%. The increase in revenue was mainly driven by the higher revenue contributions from construction and property division as well as the manufacturing division.

The Group recorded profit before tax of RM1.83 million as opposed to loss before tax of RM2.59 million in the previous corresponding quarter. The loss in the previous corresponding quarter was resulted by lower profit contribution from the construction and property division, aggravated further by higher provision of doubtful debts and write off of project cost.

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

The Group's revenue increased marginally from RM42.59 million in Quarter 3 2010 to RM44.30 million in the current quarter. The increase was mainly due to higher revenue from Ijok Alam Perdana project.

Accordingly, Group's profit before tax increased from RM1.88 million in the preceding quarter to RM1.83 million in Quarter 4, 2010.

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	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations:-</b>				
Current tax:				
Current period's provision	(3,098)	(6,294)	(600)	(6,111)

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	-
	<u>30,700</u>	<u>30,574</u>	<u>126</u>

- (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 (continued)

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	30,024
Long Term	8,895

- 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 4<sup>th</sup> October, 2010.

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

Due to the time and cost factors, the management decided not to pursue further.

#### B12. Retained Profits

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) issued a directive to all listed issuers pursuant to paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

The breakdown of the retained earnings of the Group as of 31 December 2010 into realized and unrealized profit or losses, pursuant to the directive, is as follows.

Total Retained Earnings	Current Quarter 31.12.10 (RM’000)	Preceding Quarter 30.09.10 (RM’000)
Realised	22,281	18,825
Unrealised	3,990	3,320
Total	26,271	22,145

### B13. Dividend Payable

The Board of Directors have proposed a first and final dividend of 2.0% less tax at 25% per ordinary share for the financial year ended 31 December 2010 subject to shareholders' approval at the forthcoming Annual General Meeting.

### B14. Earnings Per Share

#### (a) Basic

Basic earnings per share amounts are calculated by dividing profit 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	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM '000	RM '000	RM '000	RM '000
Profit attributable to ordinary equity holders of the company	4,126	4,336	4,496	6,788
Weighted average number of ordinary shares in issue	60,587	58,805	60,498	53,578
Effects of conversion of ICULS 2002/2012	3,885	5,678	3,885	5,678
Adjusted weighted average number of ordinary shares in issue and issuable	64,472	64,483	64,383	59,256
Basic earnings per share for (sen):				
Basic earnings for the period	6.40	6.72	6.98	11.46

B14. Earnings Per Share (continued)

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit 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	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM ‘000	RM ‘000	RM ‘000	RM ‘000
Profit attributable to ordinary equity holders of the company	4,126	4,336	4,496	6,788
Weighted average number of ordinary shares in issue	60,587	58,805	60,498	53,578
Increase in shares on conversion of ICULS 2002/2012	3,885	5,678	3,885	5,678
Effect of dilution - Warrants	-	9,774	-	9,774
Adjusted weighted average number of ordinary shares in issue and issuable	64,472	74,257	64,383	69,030
Diluted earnings per share for (sen):				
Diluted earnings for the period	-	5.84	-	9.83

The Company has 17,002,500 warrants which could have potential dilutive effect on the earnings per share of the Company.

There is no dilution in the earnings per share of the Company for the current and cumulative quarter as the market value of the above securities was lower than the exercise prices. Accordingly, full conversion of the securities would result in anti dilution.