

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2010**

1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with FRS 134 Interim Financial Reporting and the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

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

The accounting policies and methods of computation used by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 December 2009, as well as the new and revised standards, amendments and interpretations which are effective for annual periods beginning on or after 1 January 2010.

The adoption of new and revised FRSs, IC Interpretations and amendments to FRSs and IC Interpretations has no financial impact on the current interim financial statements or on the consolidated financial statements of the previous financial year.

2. Qualified Audit Report

The Group’s most recent annual audited financial statements for the year ended 31 December 2009 were not subject to any audit qualification.

3. Seasonal or Cyclical Factors

There were no material seasonal or cyclical factors affecting the performance of the Group during the period under review.

4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period that are unusual because of their nature, size or incidence.

5. Changes in Estimates

There are no changes in estimates of amount which have material effect in the current interim period.

6. Issuances, Cancellation, Repurchases, Resale and Repayment of Debts and Equity Securities

There were no issuance and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 30 June 2010.

7. Dividend

There was no interim dividend declared for the financial period ended 30 June 2010.

8. Segmental Information

The Group's activities include property development and construction which is carried out in Malaysia.

9. Valuation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation, amortisation and impairment loss.

10. Subsequent Material Events

There were no material events subsequent to the end of the financial period reported.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period under review.

12. Contingent Liabilities

The contingent liabilities of the Company and the Group as at 30 June 2010 were as follows:

	Company RM'000	Group RM'000
Guarantees to financial institutions for banking facilities granted to subsidiary companies	*10,000	-
	<u>10,000</u>	<u>-</u>

Note * : The total borrowings outstanding as at 30 June 2010 and covered by the guarantees amounted to approximately RM4.05 million.

ADDITIONAL EXPLANATORY NOTES OF THE LISTING REQUIREMENTS OF THE BMSB

1. Review of Performance

For the financial quarter ended 30 June 2010, the Group recorded a turnover and profit before taxation of RM18,600,000 and RM2,792,000 respectively.

The Group recorded a higher turnover for the current financial quarter compared to RM14,239,000 posted in the corresponding quarter in 2009.

For the period under review, the Group recorded a net profit after taxation of RM2,096,000 as compared to the profit after taxation of RM616,000 recorded in the same financial quarter last year.

2. Review of Current Quarter Profitability Against Preceding Quarter

The Group registered a turnover of RM18,600,000 in the current financial quarter as compared to RM5,822,000 achieved in the immediate preceding quarter. The Group recorded a profit before taxation of RM2,792,000 as compared to a profit before taxation of RM46,000 recorded in the immediate preceding quarter.

In tandem with the higher turnover, the Group recorded a profit after taxation of RM2,096,000 as compared to a net loss after taxation of RM257,000 in the previous quarter.

3. Prospects

The Group will focus on building quality homes and shall further strengthen its presence in the market, particularly in the Klang Valley, Melaka, Negeri Sembilan and Kedah. The Group will continue its timely delivery of its projects and seek new development opportunities.

The Board is confident of maintaining the profitability of the Group for the financial year ending 31 December 2010.

4. Explanatory Note for Variance of Actual Profit from Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee and therefore, this note is not applicable.

5. Taxation

The taxation for the current financial quarter and the year to date are as follows:

	Current Quarter 30.06.2010 RM'000	Cumulative Year to Date 30.6.2010 RM'000
Malaysian income tax:		
Current year taxation	752	1,055
Transferred from deferred taxation	(56)	(56)
	<u>696</u>	<u>999</u>

The effective rate of taxation of the Group is higher than the statutory rate of taxation due to the non-deductibility of certain expenses and losses of certain subsidiary companies which cannot be offset against profits made by other subsidiary companies.

6. Sale of Unquoted Investments and/or Properties

The Group did not engage in any purchase or disposal of unquoted investments and properties in the current financial quarter.

7. Purchase or Disposal of Marketable Securities

There were no purchases or disposal of marketable securities for the financial period under review.

8. Corporate Proposal

There were no corporate proposals for the financial period under review.

9. Group Borrowings and Debt Securities

The Group borrowings as at 30 June 2010 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term	1,161	-	1,161
Long Term	24,614	-	24,614
	<u>25,775</u>	<u>-</u>	<u>25,775</u>

All the above borrowings are denominated in Ringgit Malaysia. Included in the long term borrowings are term loan drawn down by Cabaran Subang Sdn Bhd, a 55% owned subsidiary, of RM21 million. The Group has no debt securities as at 30 June 2010.

10. Off Balance Sheet Financial Instruments

The Group did not enter into any contracts involving off balance sheet financial instruments.

11. Material Litigation

There were no material litigation for the financial period under review.

12. Dividend

The Board of Directors does not recommend any payment of dividend in respect of the financial period under review.

13. Earnings Per Share

(a) Basic Earnings Per Share

	Current Quarter 30.06.2010	Cumulative Year to Date 30.06.2010
Profit attributable to the equity holder of the Company (RM'000)	1,966	1,901
Issued ordinary shares ('000)	206,756	206,756
Basic earnings per share (sen)	<u>0.95</u>	<u>0.92</u>

(b) Diluted Earnings Per Share

The calculation of the diluted earnings per share is not applicable.

By order of the Board

Wong Wei Fong (MAICSA 7006751)
Kuan Hui Fang (MIA 16876)
Company Secretaries
Date: 26 August 2010