

MATERIAL LITIGATIONS

Save as disclosed below, DutaLand Berhad (“DutaLand”) and its subsidiary companies are not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Directors of DutaLand have no knowledge of any proceedings pending or threatened against DutaLand and its subsidiary companies or of any fact likely to give rise to any proceeding which may materially affect the position or business of DutaLand and its subsidiary companies:

- (i) On 6 May 1997, UNP Plywood Sdn Bhd (“UNP”), a subsidiary of DutaLand filed a writ of summons against Sabah Forest Industries Sdn Bhd (“SFI”) for a claim of RM128,673,270 for losses arising from wrongful termination of two timber extraction and purchase agreements entered into between UNP and SFI on 28 June 1993 and 13 August 1993 respectively. On 22 September 2006, UNP has made its submission to the Kota Kinabalu High Court (“KKHC”) whilst SFI has submitted on 30 November 2006. On 23 February 2007, the Court had ruled in favour of SFI and the claim by UNP was dismissed. On 27 February 2008, the Court of Appeal allowed UNP’s appeal and judgment was given in favour of UNP with costs and it was further ordered that the quantum of damages to be assessed by KKHC Registry. The Notice of Motion filed by SFI for leave to appeal to the Federal Court was allowed on 26 August 2008. UNP’s application for admission of a new Senior Counsel was granted on 23 July 2009. SFI’s Notice of Motion for leave to set aside the Federal Court Order dated 26 August 2008 granting leave to appeal for SFI was dismissed with costs on 29 July 2009 and the SFI’s appeal proceeded on the same date. The Federal Court has on 11 September 2009 ruled in favour of UNP. The Board is taking solicitors’ advice and in the process of assessing the damages and costs against SFI by KKHC registry. In the meantime SFI have served on UNP’s solicitors an unsealed application to review the Federal Court’s decision which is yet to be fixed for hearing.
- (ii) On 24 November 1997, Lin Wen-Chih and Lin Wen-Chuan made a claim against Pacific Forest Industries Sdn Bhd (“PFI”) and DutaLand for breach of contract in the sum of approximately RM6,223,241 inclusive of interest at a rate of 11% since 12 November 1996 in relation to the purchase of plywood machinery. The High Court dismissed the plaintiff’s claim on 29 July 2000 with costs after full trial. The plaintiffs have filed an appeal on 21 August 2000 and the Court of Appeal has on 28 March 2007 heard and allowed the plaintiffs appeal. PFI and DutaLand filed an application for leave to appeal to the Federal Court on 24 April 2007 and an application for stay of the Court of Appeal’s decision pending appeal which was heard on 25 February 2008. The Court of Appeal allowed PFI’s and DutaLand’s application for stay of execution pending the application for leave to appeal to the Federal Court (and which will be extended till the disposal of the appeal if leave is granted). Application for admission of a Senior Counsel acting for PFI and DutaLand was granted by KKHC and the Notice of Motion for leave to appeal to the Federal Court was granted to PFI on 27 August 2008. The hearing of PFI’s and DutaLand’s appeal by the Federal Court was heard on 29 June 2009. Following the Federal Court’s ruling on 7 September 2009 in favour of PFI and DutaLand, the Board is taking solicitors’ advice for claim of costs against the Plaintiffs.
- (iii) On 11 May 1999, Hong Kong Bank Malaysia Berhad (“HSBC”) made a claim against UNP for alleged losses due to cancellation of foreign exchange contracts totalling approximately RM7,506,868 plus interest of RM20,250 at 13.05% per annum from 19 September 1998 and interest of 8% per annum on all sums outstanding thereafter. HSBC filed proceedings at the KKHC together with an application for summary judgement on 12 October 1999. The application was dismissed by the Deputy Registrar on 15 November 2000. HSBC had filed an appeal and the Court has allowed the appeal and entered judgment against UNP in Suit No. K22 - 53 dated 15 December 2006. UNP has appealed against the High Court’s decision and the appeal was allowed with costs on 28 August 2007 by the Court of Appeal. HSBC have since filed an application for leave to appeal to the Federal Court which application is now adjourned to a date to be fixed by the Court pending the grounds of decision from the Court of Appeal.

- (iv) On 14 October 1999, Ng Poh Kwang (“Ng”) commenced legal action against Olympia Land Berhad (“OLB”) at the Kuala Lumpur High Court (“KLHC”) under suit no: D3-22-2789-99 for the sum of RM11,606.60 being Ng’s claim for the recovery of professional fees and RM722,215.68 being loss of profit arising from the termination of his appointment as an architect. OLB has filed its defence and counter-claim and/or set-off on 2 December 1999 claiming, amongst others, for damages of RM2,861,346.51 with interest. It is OLB’s defence and/or claim that Ng breached his appointment and that he caused OLB to suffer loss and damages. On 15 December 2000, the High Court Registrar allowed Ng’s summary judgment against OLB for the sum of RM11,606.60 with costs in cause but the issue of loss of profit and the counter-claim is to be determined by way of full trial but Ng has filed an appeal on 19 December 2000 against the said Registrar’s decision. Ng’s solicitors subsequently has obtained an order dated 27 February 2002 to discharge themselves acting as solicitors for Ng, and till to-date Ng has not appointed any new solicitors to take over conduct of the legal action. The High Court has adjourned the matter sine die and there has been no development todate.
- (v) On 28 April 2000, Lin Wen-Chih and Lin Wen-Chuan made a claim against DutaLand at the KLHC for the transfer of 12,750,000 ordinary shares of RM1.00 each in PFI and breach of contract for the sum of RM55,000,000 and RM3,295,453 respectively. DutaLand filed in its defence that the claim has been fully settled and asked for the writ of summons and statement of claim to be struck-off. The plaintiff’s solicitors have filed summons for direction in the KLHC on 22 February 2008 for parties to identify their respective witnesses for trial. DutaLand has filed their list of witnesses accordingly but the Court has fixed for further case management date on 22 May 2008 for the plaintiffs to sort out the issue of dual representation as their present solicitors have only been recently informed that their clients intend to appoint another solicitor to act as counsel in this case. The trial dates initially fixed on 22 May 2009, 25 May 2009 till 26 May 2009 has been vacated. The matter was fixed for case management on 29 June 2009 with full trial on 4 January 2010 till 8 January 2010.
- (vi) On 7 July 2000, Jurutera Reka (“JR”) commenced legal action against OLB at the Kuala Lumpur Sessions Court Summons No. S1-52-7821-2000 for the recovery of RM225,000 being JR’s claim for its fees as a consultant engineer in respect of its terminated services regarding Cadangan Pembangunan Rumah Kelab at Lot P.T. 1 to P.T. 6 Kawasan Bandar XI, Melaka Raya, Melaka. OLB has filed its defence and counter-claim on 14 November 2000 claiming, amongst others, damages of RM3,312,880.00. It is OLB’s defence that JR has failed in its contractual obligations causing OLB to suffer substantial losses and damages. Subsequently on 19 September 2002, the matter has been ordered to be transferred to the KLHC (Civil) Suit No. 22-367-2003 as the counter claim of RM3,312,880.00 exceeded the monetary jurisdiction of the Sessions Court. The High Court has yet to fix the matter for hearing and there has been no further development todate.
- (vii) Soo Sin Lian @ Su Ken Sin had on 29 May 2002 filed a legal action against OLB at the KLHC under suit no.: S3-22-577-2002 for the recovery of RM20,189,154.30 together with interest at the rate of 12% per annum on the sum of RM19,601,120.68 from 24 September 1998 until full settlement. On 19 September 2003, the Court struck off the above suit as both parties had failed to attend the case management. On 7 April 2006, the plaintiff’s solicitors forwarded to OLB a copy of the unsealed copy of the plaintiff’s Summons in Chambers to reinstate the plaintiff’s Writ and Statement of Claim dated 29 May 2002. On the hearing of the reinstatement of the Suit on 1 December 2006, the Learned Judge was of the view that the suit was struck off as a result of a court administrative error. The suit was transferred to Civil High Court 2 to be consolidated with suit no. S2-22-739-1998 in the matter of Harta Sekata S/B v. Soo Sin Lian @ Su Ken Sin & Anor due to an Order for consolidation granted on 24 April 2003. The Court has first fixed the consolidated matters to be heard from 2 June 2008 to 10 June 2008 and further fixed continued trial dates on 8 September 2008 till 10 September 2008, 22 and 23 October 2008 and 1 December 2008 till 3 December 2008. The Court has vacated the trial dates on 1 December 2008 till 3 December 2008 to 20 July 2009 till 23 July 2009 for continued trial. The matter which was earlier fixed for trial on 3 December 2009 till 4 December 2009 and 19 March 2010, 25 March 2010 till 26 March 2010 has now been brought forward for trial on 23 November 2009 till 26 November 2009 and 30 November 2009.