

**CONDENSED CONSOLIDATED INCOME STATEMENTS
 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (unaudited)**

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2010 RM'000	30/09/2009 RM'000	30/09/2010 RM'000	30/09/2009 RM'000
CONTINUING OPERATIONS				
Revenue	18,054	10,067	43,472	29,801
Cost of sales	(9,888)	(4,988)	(23,017)	(14,442)
Gross Profit	8,166	5,079	20,455	15,359
Other income	1,073	1,588	2,308	4,699
Property, plant and equipment written back	-	-	1,747	-
Administrative and general expenses	(4,979)	(6,231)	(15,901)	(17,619)
Selling and marketing expenses	(178)	(982)	(767)	(3,218)
Other expenses	-	(2,000)	-	(6,000)
Allowance for Doubtful Debts	-	-	-	(9,378)
Finance cost	(1,061)	(734)	(3,039)	(2,258)
Share of loss of associates	(32)	(28)	(100)	(90)
Profit / (loss) before tax	2,989	(3,308)	4,703	(18,505)
Taxation	-	-	-	(42)
Net profit / (loss) for the period	2,989	(3,308)	4,703	(18,547)
Attributable to:				
Equity holders of the parent company	2,989	(3,308)	4,703	(18,547)
Minority interests	-	-	-	-
	2,989	(3,308)	4,703	(18,547)
Earning / (Loss) per share, EPS / (LPS), attributable to equity holders of the parent company (Sen):				
Basic EPS / (LPS) per ordinary share	0.70	(0.77)	1.10	(4.34)
Fully Diluted LPS per ordinary shares	N.A.	N.A.	N.A.	N.A.
N.A. - Not Applicable				

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010 (unaudited)**

	AS AT 30/09/2010 (Unaudited) RM'000	AS AT 31/12/2009 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,781	22,526
Land held for development	43,880	43,775
Investment properties	82,823	82,823
Goodwill on consolidation	811	811
Investment in an associates	2,726	2,824
	154,021	152,759
Current Assets		
Property development cost	26,068	24,847
Inventories	5,433	6,074
Amount due from contract customers	6,481	1,343
Trade & other receivables	101,627	103,759
Amount due from former subsidiaries	4,103	4,103
Amount due from an associate	10,764	10,605
Deposits placed with licensed banks	220	246
Tax recoverable	111	111
Cash & bank balances	1,083	3,344
	155,890	154,432
	309,911	307,191
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	213,470	213,470
Share premium	20,013	20,013
Accumulated losses	(92,161)	(96,864)
	141,322	136,619
Non-current liabilities		
Borrowings	28,089	29,712
Deferred taxation	1,840	1,840
	29,929	31,552
Current Liabilities		
Trade & other payables	65,353	65,474
Overdraft & short term borrowings	24,199	24,438
Provision for taxation	49,108	49,108
	138,660	139,020
Total liabilities	168,589	170,572
TOTAL EQUITY AND LIABILITIES	309,911	307,191
Net assets per share attributable to equity holders of the Company (in RM)	0.33	0.32

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (unaudited)**

	I----- Attributable to Equity Holders of the Parent Company -----I			Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	(Accumulated Losses) RM'000	
Balance as at 01 January 2009	213,470	20,013	(85,151)	148,332
Net loss for the current period	-	-	(18,547)	(18,547)
Balance as at 30 September 2009	213,470	20,013	(103,698)	129,785
Balance as at 01 January 2010	213,470	20,013	(96,864)	136,619
Net profit for the current period	-	-	4,703	4,703
Balance as at 30 September 2010	213,470	20,013	(92,161)	141,322

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (unaudited)**

	9 MONTHS ENDED 30/09/2010 RM'000	9 MONTHS ENDED 30/09/2009 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	4,703	(18,505)
Adjustments for:		
Share of losses in associate company	100	90
Depreciation	947	485
Allowance for doubtful debts	-	9,378
(Gain) / Loss on disposal of:		
- property, plant and equipment	18	507
- investment property	-	2
- a subsidiary	-	(2,187)
Allowance for minimum net income guarantee	-	6,000
Property, plant and equipment written back	(1,747)	-
Interest expense	3,039	2,258
Interest income	(249)	(152)
Operating Profit / (Loss) Before Changes in Working Capital	6,811	(2,124)
Changes in development properties	(1,116)	(5,033)
Changes in inventories	641	16
Changes in amount due from contract customers	(5,138)	184
Changes in trade and other receivables	2,130	(21,861)
Changes in trade and other payables	(679)	26,986
Cash Generated From / (Used In) Operating Activities	2,649	(1,832)
Interest received	249	152
Tax paid	-	(42)
Net Cash Generated From / (Used In) Operating Activities	2,898	(1,722)
CASH FLOW FROM INVESTING ACTIVITIES		
Development expenditure incurred on land held for development	(105)	1,510
Purchase of property, plant and equipment	(458)	(472)
Proceed from disposal of property, plant and equipment	176	586
Net cash inflow from disposal of subsidiary	-	2,155
Net Cash (Used In) / Generated From Investing Activities	(387)	3,779

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (unaudited) (CONTD.)**

	9 MONTHS ENDED 30/09/2010 RM'000	9 MONTHS ENDED 30/09/2009 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Loan	(1,588)	(3,948)
Repayment of hire purchase liabilities	(465)	(637)
Interest paid	(2,745)	(3,383)
Net Cash Used From Financing Activities	(4,798)	(7,968)
NET CHANGE IN CASH & CASH EQUIVALENTS	(2,287)	(5,911)
CASH & CASH EQUIVALENTS BROUGHT FORWARD	(11,410)	(8,159)
CASH & CASH EQUIVALENTS CARRIED FORWARD	(13,697)	(14,070)

The cash and cash equivalents comprise the following balance sheet amounts:

Cash & Bank Balances	1,083	789
Deposits Placed with Licensed Bank	220	235
Bank Overdrafts	(15,000)	(15,094)
	(13,697)	(14,070)

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010**

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirement of FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2009 and the explanatory notes attached to the interim financial statements which provide an explanation on events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

2. Significant Accounting Policies

The accounting policies and methods of computation adopted in this interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2009, except for the adoption of the following Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations which were adopted by the Group with effect from 1 January 2010:-

<u>Revised FRSs</u>		Effective for financial periods beginning on or after
FRS 1	First-time adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS 8	Operating Segments	1 January 2010
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 127	Consolidation and Separate Financial Statements	1 July 2010
<u>Amendments/ Improvements To FRSs</u>		
FRS 1	First-time adoption of Financial Reporting Standards	1 January 2010 and 1 January 2011
FRS 2	Share-based Payment	1 January 2010 and 1 July 2010

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

2. Significant Accounting Policies (Contd.)

		Effective for financial periods beginning on or after
FRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2010 and 1 July 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010 and 1 January 2011
FRS 138	Intangible Assets	1 January 2010 and 1 July 2010

IC Interpretations (IC Int)

IC Int 9	Reassessment of Embedded Derivatives	1 January 2010 and 1 July 2010
IC Int 10	Interim Financial Reporting and Impairment	1 January 2010
IC Int 11	Group and Treasury Share Transactions	1 January 2010
IC Int 12	Service Concession Arrangements	1 July 2010
IC Int 13	Customer Loyalty Programmes	1 January 2010
IC Int 14	IC Interpretation 14 : FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Int 15	Agreements for the Construction of Real Estate	1 July 2010
IC Int 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Int 17	Distributions of Non-cash Assets to Owners	1 July 2010

The application of the above FRSs, Amendments to FRSs and Interpretation did not result in any significant changes in the accounting policies and presentations of the financial statement of the Group.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

3. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the preceding financial statements for the financial year ended 31 December 2008 was not qualified.

4. Seasonal or Cyclical Factors

The business operations of the Group during the financial period under review have not been materially affected by any significant seasonal or cyclical factors.

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

There were no unusual items materially affecting the assets, liabilities, equity, net income or cash flow of the Group during the financial period.

6. Material Changes In Estimates

There were no material changes in estimates that have had any material effect on results of the financial period under review.

7. Issuances and Repayment of Debt and Equity

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.

8. Dividend Paid

There were no dividends paid during the financial period under review.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

9. Segment Reporting

Segmental information for the financial period under review is presented in respect of the Group's business segment, as follows:

	Revenue RM'000	Profit Before Tax RM'000
Property Development	14,127	2,800
Property Investment	4,813	3,495
Hotel Operations	21,100	691
Construction Contract	1,637	461
Others	1,795	942
	43,472	8,389
Other Income – Reversal of Services Charges		1,184
Property, Plant and Equipment Written Back		1,747
Unallocated Corporate Expenses		(2,255)
Share of Associated Company's Loss		(100)
Allowance for Shortfall In Guarantee Rental Return		(1,224)
Finance Cost		(3,038)
	43,472	4,703

10. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward, without amendment from the previous annual financial statements as at 31 December 2009.

11. Subsequent Material Events

There were no material events subsequent to the end of the current reporting quarter other than as disclosed in Note 10. Changes in Material Litigation, (i) The Store Corporation Berhad & The Store (Malaysia) Sdn Bhd ("The Store") Vs ZKP Development Sdn Bhd ("ZKP").

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

12. Changes in Contingent Liabilities and Contingent Assets

There were no movements in the contingent liability and contingent assets since the last annual balance sheet date as at 31 December 2009. The following contingent liability and contingent assets, which were disclosed in the audited financial statements of the Group for the year ended 31 December 2009, have remained unchanged and are still valid:

	As at 30.09.2010	As at 31.12.2009
	RM `000	RM `000
<u>Contingent Liability</u>		
A corporate guarantee given to a financial institution for credit facilities extended to an associated company	18,000	18,000
<u>Contingent Assets</u>		
A legal claim made by a subsidiary company against an insurance company in respect of losses and damages suffered to its properties during the insured period.	6,016	6,016
A balance of shortfall amount in profit guarantee due to the Company arising from a profit guarantee agreement entered into between the Company and a substantial shareholder of the Company.	2,189	2,189

PART B: EXPLANATORY NOTES PURSUANT TO FRS 134 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010

1. Review of Performance

For the current quarter under review, the Group recorded total revenue of RM18.05 million and a net profit before tax of RM2.99 million. The net profit before tax improvement was mainly due to recognition of Phase 2 and shop houses at the Aman Larkin property development and recovery of rental arrears previously not recognized in respect of the Summit Bukit Mertajam investment properties.

By comparison, the Group recorded a net loss before tax of RM3.3 million on revenue of RM10.1 million for the corresponding period of last year.

2. Variation of Results against Immediate Preceding

The Group recorded a net profit before tax of RM2.99 million in the current quarter compared to a net profit before tax of RM2.94 million in the immediate preceding quarter. The improvement in net profit before tax recorded in the current quarter is mainly due to recognition of Phase 2 and shop houses at the Aman Larkin property development and recovery of rental arrears previously not recognized in respect of the Summit Bukit Mertajam investment properties.

3. Prospects

Barring unforeseen circumstances, the Board expects the results for the remaining financial quarters to remain satisfactory.

4. Profit Forecast

There was no profit forecast issued by the Group.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

5. Income Tax Expense

	3 Months Ended		Year-To-Date Ended	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM'000	RM'000	RM'000	RM'000
Current quarter / period:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
	-	-	-	-
(Under) / Over accrual of tax in prior year:				
- Income tax	-	-	-	(42)
- Deferred tax	-	-	-	-
	-	-	-	(42)
	-	-	-	(42)

Included in the Trade and Other Payables of the attached Condensed Consolidated Statement of Financial Position is an amount of RM14.3 million representing the outstanding tax penalties. As of the date of submission of this report, negotiation for a settlement plan with the tax authority is still on-going.

6. Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investment and properties outside the ordinary course of the Group's business during the financial period under review.

7. Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter and for the interim financial period.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

8. Group Borrowings and Debt Securities

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

	As At 30.09.2010 RM'000
Short Term – Secured	24,199
Long Term – Secured	28,089
	<u>52,288</u>

None of the Group borrowings is denominated in foreign currency.

9. Off Balance Sheet Financial Instruments

During the financial period under review, the Group did not enter into any contracts involving off balance sheet financial instruments.

10. Changes in Material Litigation

**(i) The Store Corporation Berhad & The Store (Malaysia) Sdn Bhd ("The Store")
Vs ZKP Development Sdn Bhd ("ZKP")**

This matter arose out of a tenancy agreement entered into between the two parties whereby The Store agreed to rent all the premises known as Shoplots S2.67, F1.19, G0.58 and LG0.57 of The Summit Bukit Mertajam.

The Store applied for a declaration order against ZKP to seek inter alia the Court's declaration that the outstanding arrears in rental of RM4.7 million claimed by ZKP as at year 2002 to be unlawful and a declaration from the Court of what ought to be the applicable rental rate per square foot for the respective term of the tenancy.

The Court granted Order In Terms to convert the originating summons into a Writ Action on 21st October 2004 and in the same action, ZKP filed a counter claim inter alia, for the sum of RM8,972,257.88 being the shortfall of rental payable by The Store as at 2004 and continuing together with interest at the rate of 12% per annum.

The High Court has fixed the date of 5th April 2010 for case management.

The above matter is now fixed for further case management on 21st June 2010 for parties to file in their respectively witness statements. The trial date will fixed for 20th October 2010 to 22nd October 2010.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

10. Changes in Material Litigation (Contd.)

**(i) The Store Corporation Berhad & The Store (Malaysia) Sdn Bhd ("The Store")
Vs ZKP Development Sdn Bhd ("ZKP")**

On the 20th October 2010, both parties had entered into a consent judgment for RM 10,744,410.00 with 6 months installments commencing on 20th November 2010 6 months installments to be paid by The Store to ZKP commencing on the 20th November 2010 due from a counter claim filed by ZKP being the shortfall of rental payable by The Store and continuing together with interest at the rate of 12% per annum.

(ii) ZKP Development Sdn Bhd ("ZKP") Vs AMAssurance Berhad ("AM")

This is a contract of insurance where AM agreed to insure and indemnify ZKP up to total sum of RM74,000,000.00. ZKP had submitted a claim for the sum of RM6,016,154.52 being loss and damage suffered to its properties during the insured period.

AM had repudiated their liability under the contract of insurance. A Writ Of Summons was initiated thereafter by ZKP against AM to claim amongst others the aforesaid sum of RM6,016,154.52.

The Timbalan Pendaftar had allowed AM's application to strike out ZKP's Writ and Statement of Claim on reason that it was time-barred and ZKP later filed its appeal against the Timbalan Pendaftar's decision.

On 29th October 2009, the Judge allowed ZKP's appeal. AM has since filed their Notice of Appeal. ZKP is awaiting notice of the Appeal mention date.

The case is now fixed for case management at the High Court on 8th September 2010.

The case is now fixed for trial on the 1st and 2nd December 2010.

**(iii) Lembaga Hasil Dalam Negeri ("LHDN") Vs ZKP Development Sdn Bhd
("ZKP")**

Two Writ of Summons was initiated by LHDN against ZKP to claim the sum of RM9,603,548.37 in respect of outstanding tax assessments and tax penalties for Years of Assessment from 1998 to 2001 on 2nd November 2006. ZKP is attempting to strike out the writ and statement of claim at the hearing on 17th May 2010 and further postponed to 26th August 2010 for both parties to file written submissions.

ZKP applications to strike out the writ and statement of claim have been dismissed with costs on the 21st October 2010 and the LHDN's application for summary judgments has been granted on the same day. ZKP is in the process of filing Notice of Appeal to the Court of Appeal against the High Court's decision.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

10. Changes in Material Litigation (Contd.)

(iii) Lembaga Hasil Dalam Negeri ("LHDN") Vs ZKP Development Sdn Bhd ("ZKP")

Subsequent to ZKP is filing its Statement of Defense for two other matters amounting to RM391,733/- on 14th February 2007. LHDN has applied for Summary Judgement. One of which is brought up for hearing on 9th June 2010 whilst on the other matter, ZKP has requested to strike out Writ and Summons. The hearing of Summons in Chambers was held on 6th May 2010 and 23rd July 2010 and ZKP is waiting for new hearing dates.

These cases are fixed for case management respectively on 3rd December 2010 and 23rd January 2011 for the Court to fix a hearing date for the LHDN's application for summary judgment.

(iv) Lembaga Hasil Dalam Negeri ("LHDN") Vs Meda Development Sdn Bhd ("MD")

Three Writs of Summons were filed by LHDN against MD to claim the total sum of RM22,466,768.46 in respect of outstanding tax assessments and tax penalties for Years of Assessment from 2001 to 2007.

MD has entered appearances and filed its Statements of Defence. Subsequent to that, LHDN applied to the Court for Summary Judgement. Mention of LHDN's application in relation to the three Writs has been fixed for 6th May 2010, 10th May 2010 and 18th May 2010 respectively and further postponed to 9th August 2010, 22nd September 2010 and the Court has yet to fixed new date for the third case respectively.

The High Court has granted summary judgment against MD on 28th October 2010 and 8th November 2010 respectively and MD is in the process of filing Notice of Appeal to the Court of Appeal against the High Court's decision.

(v) Lembaga Hasil Dalam Negeri ("LHDN") Vs Sri Lingga Sdn Bhd ("SL")

Two Writs of Summon were initiated by LHDN against SL to claim the sum of RM7,281,718/- in respect of outstanding tax assessments and tax penalties for Years of Assessment 2002 and 2003.

SL had appointed its solicitors to defend the claim and the said solicitors have entered appearances and filed Statements of Defence on behalf of SL. This matter is currently pending LHDN's reply in respect of one of the Writs while Mention for the other Writ has been fixed for 10th May 2010.

The case management is fixed for 24th August 2010.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

10. Changes in Material Litigation (Contd.)

**(v) Lembaga Hasil Dalam Negeri ("LHDN") Vs Sri Lingga Sdn Bhd ("SL")
(Contd.)**

SL has filed in application to strike out writ and statement of claim. The case is fixed for case management on 30th November 2010 pending parties to file their written submission.

**(vi) Lembaga Hasil Dalam Negeri ("LHDN") Vs Nandex Development Sdn Bhd
("ND")**

A Writ of Summon was initiated by LHDN against ND to claim the sum of RM2,040,578/- in respect of outstanding tax assessments and tax penalties for the Year of Assessment 2006.

ND had appointed its solicitors to rebut the claim. Subsequent to that, LHDN applied to the Court for Summary Judgement. The matter now is fixed for Hearing of Summons in Chambers to strike out the Writ and Statements of Claim on 17th May 2010.

The case management is fixed for 26th August 2010.

This case is fixed for hearing on 17th December 2010 for LHDN's application for summary judgment and ND's application to strike out the writ and statement of claim.

**(vii) Lembaga Hasil Dalam Negeri ("LHDN") Vs Everlasting Growth Sdn Bhd
("EG")**

A Writ of Summon was initiated by LHDN against EG to claim the sum of RM924,303/- in respect of outstanding tax assessment for Year of Assessment 2006.

LHDN has applied for Summary of Judgement and fixed for case management on 20th May 2010 and further postponed to 25th August 2010.

This case is fixed for hearing on 3rd December 2010 for LHDN's application for summary judgment.

(viii) Lembaga Hasil Dalam Negeri ("LHDN") Vs Cemerlang Land Sdn Bhd ("CL")

A Writ of Summon was initiated by LHDN against CL to claim a sum of RM3,591,236/- in respect of outstanding tax assessments and tax penalties for Year of Assessment 2002.

CL had appointed its solicitors to rebut the Writ. Subsequent to that, the matter came out for Hearing of Summons in Chambers to strike out the Writ and Statement of Claim on 21st April 2010. On 29th June 2010, both parties had filed their respective written submission and CL is now awaiting the next date from the Court.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

10. Changes in Material Litigation (Contd.)

**(viii) Lembaga Hasil Dalam Negeri ("LHDN") Vs Cemerlang Land Sdn Bhd ("CL")
(Contd.)**

This case is fixed for case management on 25th November 2010 pending extraction of LHDN's sealed application for summary judgment from the Court.

(ix) Nandex Development Sdn Bhd ("ND") Vs Intra Design Sdn Bhd ("ID")

ND had initiated an injunction action against ID via an Originating Summons dated 8th August 2007 to restrain ID from presenting a winding up petition against ND in relation to two (2) Notices under Section 218, Companies Act 1965 both dated 20th July 2007 over the alleged debts of RM1,358,371.22 and RM242,964.05 based on the interim certificates of payment together with 2.5% Retention Sum of which ID claimed that the final certificates for payment have yet to be issued by the consultants.

The Court granted ND's application for an injunction to restrain ID from filing a winding-up petition. ID appealed against the decision. The Court dismissed ID's appeal with costs on 15th October 2008.

Subsequent to the above injunction, on 16th April 2009, ND was served with a writ of summons and statement of claim dated 19th March 2009 by ID claiming a total of RM2,612,971 purportedly being monies due and owing to ID for outstanding certification, moiety and interior designing work done for ID.

ID has filed an application to enter Summary Judgment and the matter was fixed for mention on 21st March 2010.

ID's application for Summary Judgement was granted by the Court on 29th March 2010. ND has filed its appeal against the Court decisions.

ID had filed and served ND with the Winding Up Petition on 22nd July 2010 and is fixed for hearing on 23rd September 2010.

ND had filed its Appeal and Stay Application against the summary judgment and is fixed for hearing on 26th August 2010.

An Interim Stay has been granted by the High Court on 28th October 2010 as ND is currently complying with the Settlement Agreement executed between ID and ND.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

10. Changes in Material Litigation (Contd.)

**(x) Chow Tat Meng & 150 Others ("CTM") Vs Meda Development Sdn Bhd & 10 Others ("MD")
Azizah Rahman & 35 Others ("AR") Vs Meda Development Sdn Bhd & 7 Others ("MD")**

Two groups of shop lot purchasers, CTM and AR, had since 16th April 2005 commenced separate legal actions against MD, claiming for liquidated damages amounting to RM16,979,033/- and RM5,466,184/- respectively. Fresh applications were filed by both CTM and AR against MD under Civil Suits No. S6-22-145-2005 and No.S6-22-308-2006 on 19th February 2008 and 30th January 2008 respectively to preserve the sums of RM30,000,000/- and RM9,000,000/- in stakeholders' account.

The High Court had on 24th June 2008 dismissed CTM's application and accordingly CTM filed an appeal under Civil Appeal No. W-02-706-2008 and the Court of Appeal ("COA") had fixed 10th February 2009 for the hearing. In the case of AR, the High Court recorded a consent order that the decision of CTM vs MD case as mentioned shall bind the case and therefore AR's application was duly dismissed on 18th July 2008. Accordingly AR filed an appeal under Civil Appeal No W-02-820-2008 and the COA had also fixed 10th February 2009 for the hearing.

On 12th February 2009, the COA had ordered MD to preserve the total sum of RM22.4 million in an interest bearing account, to be executed within 7days from the date of Order.

MD had accordingly filed a motion for stay of the Order and both CTM and AR had filed a motion for leave to commence committal proceedings against the directors of MD. Both hearings were fixed on 10th March 2009 at the COA but were subsequently postponed to 23rd March 2009. However, a settlement was reached prior to the aforesaid hearing date whereby the following matters were agreed by both CTM and AR together with MD: -

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

10. Changes in Material Litigation (Contd.)

**(x) Chow Tat Meng & 150 Others ("CTM") Vs Meda Development Sdn Bhd & 10 Others ("MD")
Azizah Rahman & 35 Others ("AR") Vs Meda Development Sdn Bhd & 7 Others ("MD") (Contd.)**

- (i) MD undertakes to deposit into an interest bearing account under the names of Messrs AJ Ariffin Yeo & Hampul and Messrs SC Lim & Partner, within 14 days of MD's receipt of the sum of RM2 million from Mayban Trustees Berhad ("MTB") and /or their solicitors, which is being retained by MTB as security for the performance of MD's obligations to obtain the issuance of the strata titles of the properties sold to MTB under the Sales and Purchase Agreement dated 30th November 2007 between MD and MTB, as trustees for AmFirst Real Estate Trust;
- (ii) Dato' Dr. Teoh Seng Foo and Mr. Teoh Seng Kian shall jointly guarantee the payment of up to a total aggregate sum of RM3 million on the final judgement sum (after exhausting all avenues of appeal) obtained by the CTM and AR against MD; and
- (iii) The Company shall guarantee the payment of the judgement sum obtained by CTM and AR against MD.

In consideration of the above, CTM and AR had agreed that:-

- (i) the COA orders shall be unenforceable;
- (ii) CTM and AR shall not demand MD's compliance of the COA Orders and / or enforce the COA Orders, and any reliefs there from, by whatsoever means and any form of execution proceedings already filed, including the committal proceedings (whether at the High Court or Court of Appeal) shall be withdrawn with no order as to costs; and
- (iii) MD shall withdraw their Notice of Motion for stay of execution (at the Court of Appeal) dated 17th February 2009, with no order as to costs.

The notice of motions filed at the COA were, as agreed withdrawn on 23rd March 2009.

The Court has directed that both cases be heard together and fixed the matter for hearing on 7th May 2010.

With the disposal of the Court of Appeal matter, the High Court has directed that both cases be heard together and fixed the suit for case management on 27th August 2010.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

10. Changes in Material Litigation (Contd.)

**(x) Chow Tat Meng & 150 Others ("CTM") Vs Meda Development Sdn Bhd & 10 Others ("MD")
Azizah Rahman & 35 Others ("AR") Vs Meda Development Sdn Bhd & 7 Others ("MD") (Contd.)**

The CTM case matter development is as follow: -

- (i) MD's application for Bill of Costs at High Court was dismissed on 22nd April 2010 and is fixed for case management on the 27th August 2010 after MD appealed the same;
- (ii) The main suit is fixed for case management on 26th November 2010;
- (iii) The CTM's Bill of Costs at High Court is fixed for case management on the 6th September 2010 and 22nd November 2010; and
- (iv) MD's Bill of Costs at Court of Appeal is fixed for hearing on 22nd October 2010 and 10th December 2010 of CTM's application to review the Court of Appeal decision to dismiss their preliminary objection on 13th August 2010.

The AR case matter development is as follow: -

- (i) MD's Bill of Costs at High Court is fixed for case management on 27th August 2010 and 22nd November 2010; and
- (ii) MD's Bill of Costs at Court of Appeal is fixed for hearing on 27th August 2010 and 12th November 2010 for AR's preliminary objection.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

11. Dividend

No dividend has been recommended or declared for the current quarter and for the interim financial period under review.

12. Earnings/ (Loss) Per Share

The basic and diluted earnings / (loss) per share have been calculated based on the consolidated net profit / (loss) attributable to equity holders of the parent for the interim financial period and the weighted average number of ordinary shares outstanding during the period as follows:

a) Basic earning / (loss) per share

	3 Months Ended		Year-To-Date Ended	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM'000	RM'000	RM'000	RM'000
Profit/ (loss) attributable to equity holders of the Parent Company	2,989	(3,308)	4,703	(18,547)
Weighted average number of ordinary shares (000's)				
Issued ordinary shares at beginning of period	426,940	426,940	426,940	426,940
Effect of shares issued during the period	-	-	-	-
Weighted average number of ordinary shares (000's)	426,940	426,940	426,940	426,940
Basic earning/ (loss) per share (sen)	0.70	(0.77)	1.10	(4.34)

b) Diluted earning / (loss) per share

As the Company does not have any dilutive potential ordinary shares outstanding as at 30 September 2010, no diluted earnings / (loss) per share is presented.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010 (CONTD.)**

13. Authorization for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 25th November 2010.

ON BEHALF OF THE BOARD

TEOH SENG KIAN
Executive Director
Selangor Darul Ehsan
25th November 2010