

**KUMPULAN PERANGSANG SELANGOR BERHAD**

Company No. 23737-K

(Incorporated in Malaysia)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2008**

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**A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**

**A1 Accounting policies and basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited interim financial statements have been prepared under the historical cost convention except for certain long term receivables that have been measured at their fair value.

The unaudited interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2007.

The accounting policies, method of computation and basis of consolidation applied in the unaudited interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2007 except for the following revised FRS, amendment to FRS and Interpretations:

FRS 107: Cash Flow Statements

FRS 111: Construction Contracts

FRS 112: Income Taxes

FRS 118: Revenue

FRS 120: Accounting for Government Grants and Disclosure of Government Assistance

FRS 134: Interim Financial Reporting

FRS 137: Provisions, Contingent Liabilities and Contingent Assets

Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation

IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities

IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments

IC Interpretation 5: Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

IC Interpretation 6: Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

IC Interpretation 7: Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies

IC Interpretation 8: Scope of FRS 2

The adoption of the above FRS does not have significant financial impact on the Group.

**A2 Audit report of preceding annual financial statements**

The audited financial statements for the financial year ended 31 December 2007 were not subject to any audit qualification.

**A3 Seasonal or cyclical factors**

The Group's operations were not affected by seasonal or cyclical factors.

**A4 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the period under review, save and except for the charges made to the consolidated income

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statement on an amount of RM821,152 in respect of charges required to be made under FRS 2: Share-

Based Payments. During the current quarter, the Company granted a total of 200,000 ESOS options to eligible employees of the KPS Group under the Kumpulan Perangsang Selangor Berhad Employees' Share Option Scheme ("ESOS") at an exercise price of RM1.37 per share.

**A5 Material changes in estimates**

There were no material changes in estimates of amounts reported in prior interim period that have a material effect in the period under review.

**A6 Debt and equity securities**

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

**A7 Dividend paid**

There was no dividend paid during the current quarter.

**A8 Segmental Information**

	3 months ended		12 months ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Property development and management	11,365	100,955	89,593	218,961
Infrastructure and utilities	31,425	34,455	136,065	134,141
Trading	11,194	6,991	33,271	27,088
Hospitality	8,469	8,025	30,176	30,172
Golf club and recreational facilities	2,195	2,098	8,187	8,665
Investment holding	1,583	1,260	5,769	6,575
<b>Total revenue</b>	<b>66,231</b>	<b>153,784</b>	<b>303,061</b>	<b>425,602</b>
<b>Segment Results</b>				
Results from continuing operations:				
Property development and management	(69,604)	13,545	(49,482)	10,564
Infrastructure and utilities *	7,686	5,894	60,171	33,043
Trading	286	240	1,600	1,911
Hospitality	943	(3,597)	2,033	(1,864)
Golf club and recreational facilities	(559)	(343)	(321)	(1,392)
Investment holding	(8,596)	7,234	(14,869)	19,043
<b>(Loss)/profit before tax</b>	<b>(69,844)</b>	<b>22,973</b>	<b>(868)</b>	<b>61,305</b>

\* Included share of profits from associates involved in infrastructure and utilities activities.

There is no segmental information analysis by geographical location as the Group operates predominantly in Malaysia.

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**A9 Valuation of property, plant and equipment**

The valuation of property, plant and equipment has been brought forward, without amendment from previous audited financial statements.

**A10 Material events subsequent to the end of the interim period**

There were no material events subsequent to the end of the reporting period which is likely to substantially affect the results of the operations of the Group other than the matters as disclosed in Note B8 "Status of Corporate Proposals" and Note B11 "Material Litigation" to the unaudited interim financial statements.

**A11 Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations, save and except for the acquisition of 15% equity in Syarikat Bekalan Air Selangor Sdn Bhd for a total consideration of RM200 million which was completed on 30 December 2008.

**A12 Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment not provided for in the unaudited interim financial statements as at 31 December 2008 is as follows:

	<b>RM'000</b>
Approved and contracted for	<u>20,940</u>

**A13 Contingent liabilities**

The contingent liabilities as at 31 December 2008 are as follows:

	<b>RM'000</b>
<b>a) Secured</b>	
i) Guarantees to secure banking and other credit facilities of an and associated company	5,860
ii) Foreclosure proceedings taken by a financial institution in respect of a third party charge granted by a subsidiary company on a piece of land	35,857
<b>b) Unsecured</b>	
i) Performance guarantees to third parties	413
ii) Other claims filed against the Group	<u>18,338</u>
	<u>60,468</u>

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- c) A third party filed an action alleging that a subsidiary's termination of the joint venture agreement and the agreements ancillary thereto ("JVA") due to the third party's breach of four fundamental conditions of the JVA was wrongful and claimed for the transfer of the ownership of the said land to the third party, damages to be assessed and the loss of profits of approximately RM350 million. The subsidiary has filed its defence and made a counterclaim against the third party for the said four fundamental breaches of the JVA by the third party and claiming amongst others, for the return of vacant possession of the said land, damages in the sum totalling to approximately RM399 million and an indemnity against all claims in the foreclosure proceedings as stated in (a) (ii) above. The subsidiary is appealing to the Judge in Chambers against the decision of the Senior Assistant Registrar who had dismissed the case to strike out the third party's claim and legal proceedings are on-going. The case has yet to be fixed by court for SAP's appeal to allow CTSB's claim to be struck off.
- d) A third party has filed an action alleging that a subsidiary's owns the said third party a sum of RM4.1 million purportedly being balance payment for project known as "Proposed site clearance, earthworks, drainage, main road works and final layer to internal roads and related works to the proposed residential commercial and recreational development at Lestari Perdana, Mukim Petaling, Daerah Petaling Selangor" (the Project). Vide letter of Award dated 18 September 2001, the said third party has been awarded the Project for the contract sum of RM21,033,000. The agreed date of completion of the Project was on 31 March 2003, however, the Project has not been completed by the said third party. The subsidiary has filed an application in Court for stay of proceeding as the case should be referred to Arbitration as provided under the Conditions of Contract for the Project. The subsidiary's application for stay of proceeding has been allowed by the Court. The third party is appealing to the Judge in Chambers against the stay of proceeding granted to the subsidiary. The matter has been adjourned to 20 January 2009. However, this case was not listed in court and the defendant's solicitor has written to the court for a new date.

#### A14 Employee Share Options Scheme ("ESOS")

##### (a) Kumpulan Perangsang Selangor Berhad's Employee Share Options Scheme ("KPS ESOS")

The Kumpulan Perangsang Selangor Berhad's Employee Share Options Scheme ("KPS ESOS") is governed by the amended by-laws approved by the shareholders at an Extraordinary General Meeting held on 15 June 2004. The KPS ESOS was implemented on 30 July 2003 and is for a period of 5 years from the date of implementation, subject however, to an extension at the discretion of the Option Committee for a period up to 5 years commencing from the date of expiration of the original 5 year period. Subsequently, on 16 July 2008, the Option Committee has approved the extension of KPS ESOS Scheme tenure for another 3 years commencing from 29 July 2008 until 29 July 2011.

The salient features of the KPS ESOS are as follows:

- (i) The total number of ordinary shares to be issued by the Company under the KPS ESOS shall not exceed 15% of the total issued and paid-up ordinary shares of the Company, such that not more than 50% of the shares available under the KPS ESOS is allocated, in aggregate, to directors and senior management.
- (ii) Not more than 10% of the shares available under KPS ESOS is allocate to any individual director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company.

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- (iii) Only staff and directors of the Company, Hydrovest Sdn. Bhd., Konsortium Abass Sdn. Bhd., Cash Band (M) Berhad and Perangsang Hotels and Properties Sdn. Bhd. are eligible to participate in the scheme. Executive directors are those involved in the day-to-day management and on the payroll of the Company.
- (iv) The options price under the KPS ESOS is the average of the mean market quotation of the shares of the Company as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad for the five market days preceding the offer date, of the par value of the shares of the Company of RM1, whichever is higher.
- (v) All share options granted are exercisable from the date of grant and have a contractual option term of five years.
- (vi) Share options granted under the KPS ESOS carry no dividend or voting rights. Upon exercise of the options, shares issued rank pari passu in all respects with existing ordinary shares of the Company.

The terms of shares options outstanding as at the date of this unaudited interim financial statements are as follows:

Grant date	Expiry date	Exercise price RM	<-----Number of share options ----->				As at 31.12.2008 '000
			As at 1.1.2008 '000	Granted '000	Terminated '000	Exercised '000	
12 August 2003	29 July 2011	1.62	6,175	-	-	(2,245)	3,930
27 February 2007	29 July 2011	1.00	3,250	-	-	-	3,250
29 March 2007	29 July 2011	1.00	1,733	-	-	(1,733)	-
23 July 2007	29 July 2011	1.62	1,269	-	-	(514)	755
26 July 2007	29 July 2011	1.62	437	-	-	(345)	92
3 August 2007	29 July 2011	1.98	40	-	-	(15)	25
17 July 2008	29 July 2011	1.93	-	550	-	-	550
10 November 2008	29 July 2011	1.37	-	200	-	-	200
			12,904	750	-	(4,852)	8,802

**(b) Kumpulan Hartanah Selangor Berhad's Employee Share Options Scheme ("KHSB ESOS")**

Kumpulan Hartanah Selangor Berhad ("KHSB"), a subsidiary company, implemented KHSB ESOS on 21 December 2005 for a period of 5 years. The KHSB ESOS is governed by the by-laws which were approved by the shareholders at the Extraordinary General Meeting on 15 June 2004.

The main features of the KHSB ESOS are as follows:

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- (i) The total number of ordinary shares to be issued by KHSB under the KHSB ESOS shall not exceed 15% of the total issued and paid-up ordinary shares of KHSB, such that not more than 50% of the shares available under the KHSB ESOS is allocated, in aggregate, to directors and senior management.
- (ii) Not more than 10% of the shares available under the KHSB ESOS is allocated to any individual director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of KHSB.
- (iii) Any director (both executive and non-executive directors) of the KHSB Group (other than a company within the Group which is dormant) or an employee of the KHSB Group who is employed full time and is on the payroll of the KHSB Group (other than a company within the Group which is dormant), but does not include employees under probation, are eligible to participate in the scheme, subject to the final decision of the Options Committee.
- (iv) The option price under the KHSB ESOS is the average of the mean market quotation of the shares of the KHSB as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad, for the five market days preceding the offer date, or the par value of the shares of KHSB of RM1, whichever is the higher.
- The options granted are exercisable from the date of grant and have a contractual option term of five years.
- (v) Options granted under the KHSB ESOS carry no dividend or voting rights. Upon exercise of the options, shares issued rank pari passu in all respects with existing ordinary shares of KHSB.

The terms of shares options outstanding as at the date of this unaudited interim financial statements are as follows:

Grant date	Expiry date	Exercise price RM	<-----Number of share options ----->				As at 31.12.2008 '000
			As at 1.1.2008 '000	Granted '000	Terminated '000	Exercised '000	
28 Dec 2005	28 Dec 2010	1.00	38,161	-	(76)	-	38,085
05 Jan 2008	28 Dec 2010	1.00	-	2,662	(315)	-	2,347
			<u>38,161</u>	<u>2,662</u>	<u>(391)</u>	<u>-</u>	<u>40,437</u>

**B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS****B1 Performance review**

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For the current quarter ended 31 December 2008, the Group registered revenue of RM66.23 million as compared to RM153.78 million in the preceding year corresponding quarter 2007, representing a decrease in revenue of 57% or RM87.55 million. The decrease in revenue was mainly due to lower revenue recorded for the current quarter by the property development sector of RM11.37 million as compared to RM100.96 million in the preceding year corresponding quarter 2007.

The Group recorded a loss before tax of RM69.84 million for the current quarter as compared to a profit of RM22.97 million in the preceding year corresponding quarter 2007. For the current quarter, the directors have taken a prudent stand to make full provision for long outstanding receivables amount to RM65.43 million, which resulted the property development sector registered a loss before tax of RM69.60 million. The infrastructure and utilities sector recorded a profit before tax of RM7.69 million.

**B2 Comment on material change in profit before tax**

The Group recorded a loss before tax of RM69.84 million for the current quarter ended 31 December 2008 as compared to a profit of RM20.05 million in the previous quarter ended 30 September 2008. The loss was mainly due to the provision for long outstanding receivables of a property development subsidiary amounting to RM65.43 million.

**B3 Commentary on prospects**

The Group expects that for the year 2009, the infrastructure and utilities sector continues to be the major contributor towards the Group's earnings. The Group also expects the year 2009 to remain challenging for its property development sector in view of cautious approach taken by consumers due to the current global financial conditions.

The Group will continue to strive on improving its operational efficiency and development of resources especially in the property development sector. The Group current land bank will be continuously reviewed to contribute positively to the Group's overall performance and profitability.

**B4 Profit forecast and profit guarantee**

No profit forecast or profit guarantee was issued during the current quarter.

**B5 Income tax and zakat expense**

	<b>3 months ended 31.12.2008 RM'000</b>	<b>12 months ended 31.12.2008 RM,000</b>
Current tax position	2,162	9,703
Deferred tax transfer to/(from) balance sheet	692	(2,815)
Income tax expense	<u>2,854</u>	<u>6,888</u>
Zakat expense	1,134	3,835
Income tax and zakat expense	<u>3,988</u>	<u>10,723</u>

The effective tax rate for the Group for the current quarter is higher than statutory tax rate as certain expenses are not deductible within the Group.

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**B6 Sale of unquoted Investment and properties**

During the current quarter, there was no disposal of unquoted investments and properties.

**B7 Quoted securities**

- a) During the current quarter, the Company purchased 10 million units of Jaks Resources Berhad shares for a total consideration of RM5,008,700.
- b) As at 31 December 2008, the Group has the following quoted securities:

	<b>Total RM'000</b>
Total investment at cost	68,219
Carrying cost	63,945
Total investment at market value	25,885

**B8 Status of corporate proposals**

There were no changes in the status of corporate proposals of the Group at the date of this unaudited interim financial statements.

**B9 Borrowings**

The Group borrowings as at 31 December 2008 and all denominated in local currency are as follows:

	<b>RM'000</b>
<b>Short term borrowings</b>	
Secured	160,759
Unsecured	61,347
	<hr/> 222,106
<b>Long term borrowings</b>	
Secured	1,156,067
Unsecured	0
	<hr/> 1,156,067
Total Borrowings	<hr/> <b>1,378,173</b>

**B10 Off balance sheet financial instruments**



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There were no off balance sheet risks as at the date of this report that might materially affect the position or business of the Group.

#### **B11 Material litigation**

Save as disclosed below, neither the Company nor its subsidiary companies has been or are involved in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors are not aware of any proceedings, pending or threatened, against the Company or its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the financial position or business of the Company or its subsidiary companies.

#### **Part A - Kumpulan Hartanah Selangor Berhad (KHSB) and/or its group of companies as the Plaintiff(s)**

1. **SAP Holdings Berhad (SAP)** filed an action against **PAG Mampu Jaya Sdn Bhd (PAG)** vide Kuala Lumpur High Court Summons No. D2-22-1075-05 claiming the sum of RM15.93 million together with general damages for loss of profit, interest and cost for breach of a Joint Venture Agreement between SAP and PAG dated 15 May 2000 ("Joint Venture Agreement"). PAG filed a counter claim against SAP for the sum of RM2.072 million for breach of terms of the Joint Venture Agreement.

On 12 February 2007, the Learned Judge has allowed SAP's Notice of Appeal and granted Summary Judgment against PAG for the sum of approximately RM15.93 million together with interest at the rate of 10% per annum on monthly rest from 27 July 2005 until full settlement and costs. Notice under Section 218 of the Companies Act 1965 has been issued and served on PAG on 13 April 2007. However, PAG has not made any payment pursuant to said Notice. SAP subsequently filed the winding-up petition and the Court has on 2 May 2008 granted the winding-up order against PAG. On 26 May 2008, SAP filed a claim for general damages against PAG. However, SAP has instructed their solicitors to withdraw the claim vide their letter dated 28 May 2008. On 9 January 2009, the solicitors have been informed that the matter has already been transferred from Court 2 to the Commercial Division, Court 9. However, the matter was not listed and the solicitors were directed to write to the Court to obtain a new date to enable the solicitor to inform the Court on the withdrawal. The solicitor has written to the Assistant Registrar to request for a new date.

2. **Central Spectrum (M) Sdn Bhd ("CSSB")** filed an action against **Pentadbir Tanah Daerah Klang ("PTDK")** vide Shah Alam High Court Summons No. MT3-15-686-2004. CSSB was awarded a sum of RM2,664,364.00 on 7 February 2004 by PTDK for land acquisition for Lot. 74072, 74073, 74074 and 74075 No. Hakmilik: PN 7941, 7940, 7939 and 7938 ("KTM 1"). However, CSSB filed an appeal on the quantum and measurement awarded to CSSB pursuant to which, PTDK had on 18 January 2005 referred the matter to the Shah Alam High Court.

CSSB filed another action against PTDK vide Shah Alam High Court Summons No. RT-MT1-15-88-2005 whereby CSSB was awarded a sum of RM4,535,114.00 on 19 April 2005 for land acquisition for Lot. 74076, 74077, 74078, 74079 and 10490 No. Hakmilik: PN 7937, 7936, 7935, 7934 and 12229 ("KTM 2"). However, CSSB filed an appeal on the quantum and measurement awarded to CSSB pursuant to which, PTDK had on 22 September 2005 referred the matter to the Shah Alam High Court.

The Court has fixed hearing dates for KTM 1 on 19 November 2009 and KTM 2 on 10 September 2009. In the interim both parties are to strive to resolve the same.

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#### Part B - KHSB and/or its group of companies as the Defendant(s)

1. **Upright Dignity Sdn Bhd ("UDSB")** instituted an action for specific performance and other consequential relief against Perbadanan Kemajuan Pertanian Selangor ("PKPS"), **SAP Holdings Berhad ("SAP")** and Desa Hilir Sdn Bhd ("DHSB") on 20 July 2000 at the Shah Alam High Court vide Civil Suit No. MT4-21-60-2000 purportedly in relation to a sale and purchase agreement dated 24 April 2000 ("Purported SPA") entered into between DHSB as attorney for PKPS and SAP and UDSB in respect of a piece of land held under H.S.(D) 1426 P.T. No. 4466 Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, measuring approximately 556.482 acres ("Dengkil Land") for which PKPS was the registered proprietor. The Purported SPA was entered into solely between DHSB and UDSB where neither SAP nor PKPS were aware of the said transaction nor did they give their consent to the purported sale of the Dengkil Land. UDSB has also claimed in the alternative for a refund of all monies paid by UDSB to DHSB with interest at 8% per annum from 25 April 2000 as well as damages for breach of contract. This case has been fixed for continued hearing on 21 April 2009.
2. **AmFinance Berhad** now known as **AmBank (M) Berhad ("AMF")** instituted foreclosure proceedings against **SAP Holdings Berhad ("SAP")** on 16 August 2002 vide Shah Alam High Court Originating Summons No. MT1-24-1770-2002 in respect of a piece of land held under H.S.(D) 20034 PT No. 26549, Mukim Batu, Daerah Gombak ("Gombak Land"). SAP, the registered proprietor of the Gombak Land, created a third party charge over the Gombak Land in favour of AMF as security for the loan facility of RM17.0 million granted by AMF to Cergas Tegas Sdn Bhd ("CTSB") pursuant to a joint venture agreement dated 12 January 1991, entered into between SAP and CTSB. AMF has been seeking an order for sale of Gombak Land arising from CTSB's default in payment of the said facility. SAP has taken steps to oppose the foreclosure proceedings and has also proceeded to take the necessary legal action to protect its beneficial interest on the Gombak Land.

The case has now been fixed for clarification of the submission and decision on 20 March 2009 as the Judge requires more time to read through the case.

3. **Cergas Tegas Sdn. Bhd. ("CTSB")** filed an action on 16 February 2004 vide Kuala Lumpur High Court No. S2-22-185-2004 against **SAP Holdings Berhad ("SAP")** alleging that SAP's termination of the joint venture agreement dated 12 January 1991 entered into between SAP and CTSB and the agreements ancillary thereto ("JVA") due to CTSB's breach of four (4) fundamental conditions of the JVA was wrongful and claimed for the transfer of the ownership of the Gombak Land to CTSB (even though the balance of the consideration is still unpaid by CTSB to SAP together with interest and other costs involved), damages to be assessed and the purported loss of profits of approximately RM350.0 million.

SAP has filed its defence and made a counterclaim against CTSB for the said four (4) fundamental breaches of the JVA by CTSB and claiming amongst others, for the return of vacant possession of the Gombak Land, damages in the sum totalling to approximately RM399.0 million and an indemnity against all claims in the foreclosure proceedings. An ex-parte injunction was granted by the Kuala Lumpur High Court vide Civil Suit No. S6-22-280-2006 on 17 April 2006 against SAP in relation to the Gombak Land. SAP has taken action to oppose the said ex-parte injunction. The Kuala Lumpur High Court vide Civil Suit No. S2-22-185-2004 has granted SAP an ex-parte injunction against CTSB on 9 April 2007 and the Court has in the interim, granted an Ad-Interim Injunction in favour of SAP against CTSB until the disposal of the said inter-parties hearing of the injunction application.

CTSB has filed an application vide Kuala Lumpur High Court Suit No. S2-22-185-2004 to set aside the Ad-Interim Injunction obtained in favour of SAP on 21 May 2007. The hearing of the case No.S2-22-185-2004 will be fixed after the disposal of the Application for Consolidation with case No.S6-22-280-2006. The Order for Consolidation of both cases has been granted by the Court on 22 February 2008 and the case has now been fixed for hearing on 6 April 2009 for all interlocutory application.

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4. **Menara Setia Sdn Bhd (“MSSB”)** had on 31 December 2002 initiated an action against **SAP Ulu Yam Sdn Bhd (“SUY”)**, an indirect subsidiary of KHSB, vide Kuala Lumpur High Court Suit No. D3-22-2111-2002 claiming for the sum of RM1.893 million together with all cost and interest thereon at the rate of eight (8%) per cent per annum from 22 April 1998 to the date of settlement for the amount allegedly due for the earthworks undertaken by MSSB for Ulu Yam Heights Development.

The solicitors are of the opinion that the Plaintiff’s claim is likely to be struck off on the ground that MSSB’s previous claim against SUY vide Kuala Lumpur High Court Summons No. D2-22-2467-99 pursuant to the same cause of action had been struck off with costs by the Senior Assistant Registrar of the High Court (“SAR”) on 16 January 2001 and the Plaintiff’s appeal against the SAR’s decision was dismissed with costs on 28 January 2002. The case has been fixed for continued hearing on 20 April 2009.

5. **Mazli Mohamed**, a former employee of Central Holdings Management Services Sdn Bhd (“CHMS”) (a subsidiary company of SAP) instituted proceedings against **SAP Holdings Berhad (“SAP”)** vide Industrial Court Suit No. 7/4-480/98 on 5 September 1998 seeking reinstatement to his former job as a General Manager in CHMS or in the alternative, compensation for purported wrongful dismissal alleging that the resignation notice he tendered on 19 February 1998 was an involuntary act. . SAP’s application for judicial review on the Judge’s decision not to allow SAP’s counsel to cross-examine the Claimant was heard on 23 July 2004. The High Court Judge ordered that all proceedings in the Industrial Court to be stayed pending the final decision on the judicial review. SAP has succeeded in the judicial review whereby SAP’s counsel is now allowed to cross-examine the Claimant in the Industrial Court. On 3 March 2008 in the presence of Claimant’s counsel, the Judge has ordered both parties to submit their submission and SAP’s counsel not been given the chance to cross-examine the Claimant due to miscommunication between the counsel, has requested for the notes of proceeding from the Judge to enable SAP’s counsel to file an application for judicial review at the High Court. The solicitor of SAP had filed for judicial review in the High Court of Kuala Lumpur and an order was given in favour of SAP to cross examine the Respondent and the case to be mention before the new Chairman in the Industrial Court. The order had already been extracted on 18 June 2008 and served to the Appellant on 11 November 2008. The next hearing date is fixed on 26 March 2009.

6. **CGE Construction Sdn Bhd (“CGE”)** has filed an action against **SAP Air Hitam Properties Sdn Bhd (“SAP AHP”)** on 20 April 2006 vide Shah Alam Civil Suit No. MT4-22-434-2006 alleging SAP AHP owes CGE the sum of RM4.116 million purportedly being balance payment for project known as “Proposed site clearance, earthworks, drainage, main road works and final layer to internal roads and related works to the proposed residential commercial and recreational development at Lestari Perdana, Mukim Petaling, Daerah Petaling Selangor” (the Project). Vide letter of award dated 18 September 2001, CGE was awarded the Project for the contract sum of RM21,033,000.00. The date of completion of the Project was on 31 March 2003. However, the Project has not been completed by CGE.

SAP AHP has filed an application to the Court for stay of proceeding as the case should be referred to Arbitration as provided under the Conditions of Contact for the Project. SAP AHP’s application for stay of proceeding has been allowed by the Senior Assistant Registrar (SAR). CGE has filed an Appeal to Judge in Chamber against SAR’s decision and the said Appeal was fixed for clarification and decision on 12 August 2008. The matter has been adjourned to 20 January 2009. However, this case was not listed in court and the defendant’s solicitor has written to the court for a new date.

7. **Joginder Singh & Co. (“JSC”)** has on 10 July 2007 filed an action against **Kumpulan Hartanah Selangor Berhad (“KHSB”), Brisdale Holdings Berhad (BHB)”** and **Brisdale Rasa Development Sdn Bhd (BRDSB”)** (to be collectively referred to as “Defendants”) vide Kuala Lumpur High Court Originating Summons No.S2-24-65-2007 claiming against the Defendants for the sum of RM2,262,500.00 purportedly being the outstanding legal fees and disbursements in respect of the case between Brisdale Rasa

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Development Sdn Bhd vs Silver Concept Sdn Bhd. KHSB has filed an application to strike out JSC's summons and the said application was fixed for hearing on 20 October 2008. However, this case is fixed for further mention on 10 March 2009 as the solicitors for the second and third defendants have filed a Notice to Discharge.

8. **Pembinaan Juta Mekar Sdn Bhd ("PJM")** had on 18 April 2008 filed an action against **SAP Holdings Berhad ("SAP")** and **Templer Park Golf Resort Berhad ("TPGR")** vide Shah Alam Civil Suit No. MT3-22-617-2008 alleging that SAP and TPGR owe PJM the sum of approximately RM10.20 million purportedly being payment for the proposed construction and completion of townhouse for Phase 3A and proposed construction and completion of double storey terrace house for Phase 3B". A Memorandum of Appearance has been filed by the solicitors of SAP and TPGR on 26 May 2008 and 6 June 2008 respectively. The next date for hearing is fixed on 22 April 2009. The solicitors are of the opinion that PJM does not have a strong case against SAP and TPGR as there was no contractual relationship between PJM, SAP and TPGR.

#### **B12 Dividends**

No interim dividend has been recommended or declared for this financial period.

#### **B13 (Loss)/earnings per share**

- (a) Basic (loss)/earnings per share

The basic (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of shares in issue.

- (b) Diluted (loss)/earnings per share

The diluted (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the adjusted weighted average number of shares in issue. The weighted average number of shares in issue is adjusted for potential dilutive shares from the exercise of outstanding ESOS options of the Company.

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ENDED 31 DECEMBER 2008**

	<b>3 Months Ended 31.12.2008</b>	<b>3 Months Ended 31.12.2007</b>	<b>12 Months Ended 31.12.2008</b>	<b>12 Months Ended 31.12.2007</b>
<b>(a) Basic (loss)/earnings per share</b>				
Net (loss)/profit attributable to equity holders of the Company (RM'000)	(45,167)	9,505	1,370	31,998
Weighted average number of shares in issue ('000)	475,664	459,054	474,582	444,296
Basic EPS (sen)	(9.5)	2.1	0.3	7.2
<b>(b) Diluted (loss)/earnings per share</b>				
Net (loss)/profit attributable to equity holders of the Company (RM'000)	(45,167)	9,505	1,370	31,998
Weighted average number of shares in issue ('000)	475,664	459,054	474,582	444,296
Effects of dilution from exercise of ESOS options ('000)	2,615	8,617	2,959	16,479
	478,279	467,671	477,541	460,775
Diluted EPS (sen)	(9.4)	2.0	0.3	6.9

**BY ORDER OF THE BOARD****HASHIMAH MOHD ISA**  
Company Secretary

Date: 27 February 2009