

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010

A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

A1 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.

The unaudited interim financial statements should be read in conjunction with the Group’s annual audited financial statements for 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 and revised Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010.

On 1 January 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

FRS 7	Financial Instruments: Disclosure
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 of 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 Instrument: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
Improvements to FRS issued in 2009	
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 Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

(a) FRS 7: Financial Instruments - Disclosures

The adoption of FRS 7 requires additional disclosures regarding fair value measurements and liquidity risk in the full year financial statements, and has no effect on reported profit or equity. However, FRS 7 disclosures are not required in the interim financial statements, and hence no further disclosures have been made in these interim financial statements.

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(b) FRS 8: Operating Segments

Prior to the adoption of FRS 8, the Group's segment reporting was based on a reporting format of business segments. FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decision on the allocation of resources and assesses the performance of the reportable segments. The comparatives of the preceding year corresponding period are represented to conform to the current presentation as disclosed in Note A9.

(c) FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transaction with owners, with all non-owner changes in equity presented in the statement of comprehensive income. In addition, the standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

(d) FRS 139: Financial Instruments – Recognition and Measurement

FRS 139 set out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the adoption of the standard, as at transitional date on 1 January 2010.

Financial assets

(i) Investment in quoted shares

Prior to 1 January 2010, the Group classified its investments in quoted equity instruments as other investment under non-current assets. Such investments were carried at the lower of cost and market value, determined on an aggregate basis. Upon the adoption of FRS 139, these investments at 1 January 2010 are reclassified under available-for-sale. These equity instruments are not held for trading and reflected in the statement of financial position under non-current assets, current assets and are stated at their fair values.

(ii) Trade and other receivables

Prior to 1 January 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the difference is recognised as adjustments to the opening balance of retained earnings as at that date.

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Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group's financial liabilities include trade and other payables are carried at amortised cost.

Impact on opening balances

In accordance with the transitional provisions of FRS 139, the applicable changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010.

	As previously reported (audited) RM'000	Effects of adopting FRS 139 RM'000	As restated RM'000
Non Current Assets			
Other investments	269,406	(64,499)	204,907
Available-for-sale investments	-	63,127	63,127
Current Assets			
Receivables	746,118	(11,529)	734,589
Available-for-sale investments	-	1,408	1,408
Non Current Liabilities			
Long term payables	26,245	(26,245)	-
Accrued lease rental	24,905	(24,905)	-
Financial liabilities at amortised cost	-	41,711	41,711
Equity			
Retained earnings	291,629	4,344	295,973
Equity contribution	-	(9,954)	(9,954)
Minority interests	185,874	3,556	189,430

A3 Audit report of preceding annual financial statements

The audited financial statements for the financial year ended 31 December 2009 were not subject to any audit qualification.

A4 Seasonal or cyclical factors

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

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

Save for the adjustments to opening balances disclosed Note A2 (d) and the fair value changes of financial instruments arising from implementation of FRS 139, there were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that were unusual because of their nature, size or incidence during the current quarter.

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A6 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.

A7 Debt and equity securities

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

A8 Dividend paid

There was no dividend paid during the current quarter.

A9 Segmental Information

	3 months ended		6 months ended	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Infrastructure and utilities	37,004	35,011	72,289	69,329
Property development and management	108,470	9,908	154,805	19,372
Trading	10,544	9,207	19,466	17,470
Hospitality	7,265	7,976	12,968	14,376
Golf club and recreational facilities	1,862	2,164	3,545	4,184
Investment holding	5,659	6,933	42,038	70,870
Total revenue including inter-segment sales	170,804	71,199	305,111	195,601
Elimination of inter-segment sales	(4,033)	(5,432)	(38,861)	(67,873)
Total	166,771	65,767	266,250	127,728
Segment Results				
Results from continuing operations:				
Infrastructure and utilities *	25,770	20,708	53,251	43,177
Property development and management	5,220	22,375	7,727	7,098
Trading	954	1,187	1,977	1,830
Hospitality	(205)	40	(1,379)	(426)
Golf club and recreational facilities	(573)	(460)	(1,222)	(476)
Investment holding	(2,915)	(2,733)	24,628	52,361
Total profit	28,251	41,117	84,982	103,364
Eliminations	(3,245)	(4,883)	(37,285)	(66,518)
Profit before tax	25,006	36,234	47,697	37,046

* 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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A10 Valuation of property, plant and equipment

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

A11 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.

A12 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.

A13 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 30 June 2010 is as follows:

	RM'000
Approved but not contracted for	<u>14,497</u>

A14 Contingent liabilities

The contingent liabilities as at 30 June 2010 are as follows:

	RM'000
a) Secured	
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	41,718
b) Unsecured	
i) Performance guarantees to third parties	513
ii) Other claims filed against the Group	<u>8,280</u>
	<u>56,371</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. Both parties have obtained an ex-parte injunction against each other in respect of the said land. The third party has filed an application to set aside the Ad-Interim injunction obtained in favour of the subsidiary until the disposal of the inter-parte hearing of the Injunction Applications. To expedite the matters, both parties had agreed to drop all interlocutory proceedings against each other save for the injunctions and proceed with the hearing of the main suit. No hearing date is fixed yet by the court.

A15 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.
- (iii) Only staff and directors of the Company, Hydrovest Sdn. Bhd., Konsortium Abass Sdn. Bhd., Cash Band (M) Berhad, Perangsang Hotel and Properties Sdn. Bhd. and Brisdale International Hotel 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 until the expiry date of KPS ESOS.
- (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.

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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 1.1.2010 '000	Granted '000	Terminated '000	Exercised '000	As at 30.6.2010 '000
12 August 2003	29 July 2011	1.62	3,780	-	-	-	3,780
27 February 2007	29 July 2011	1.00	3,250	-	-	-	3,250
23 July 2007	29 July 2011	1.62	755	-	-	-	755
26 July 2007	29 July 2011	1.62	82	-	-	-	82
3 August 2007	29 July 2011	1.98	25	-	-	-	25
17 July 2008	29 July 2011	1.93	550	-	-	-	550
5 May 2009	29 July 2011	1.62	2,751	-	-	-	2,751
			<u>11,193</u>	-	-	-	<u>11,193</u>

No options were exercised during the current quarter.

(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:

- (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.
- (v) The options granted are exercisable from the date of grant and have a contractual option term of five years.
- (vi) 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.

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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 30.06.2010 '000
			As at 1.1.2010 '000	Granted '000	Terminated '000	Exercised '000	
28 Dec 2005	28 Dec 2010	1.00	32,968	-	(132)	-	32,836
05 Jan 2008	28 Dec 2010	1.00	1,507	-	(30)	-	1,477
			<u>34,475</u>	<u>-</u>	<u>(162)</u>	<u>-</u>	<u>34,313</u>

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

For the current quarter ended 30 June 2010, the Group registered revenue of RM166.77 million as compared to RM65.77 million in the preceding year corresponding quarter 2009, representing an increase in revenue of 154% or RM101.00 million mainly due to higher revenue from property development sector.

The Group recorded a profit before tax of RM25.01 million for the current quarter as compared to a profit of RM36.23 million in the preceding year corresponding quarter 2009. The lower profit for the current quarter was mainly due to the property sector which recorded a profit before tax of RM5.22 million as compared to profit of RM22.38 million in the preceding year corresponding quarter. However, the infrastructure and utilities sector recorded a higher profit by RM5.06 million as compared to the preceding year corresponding quarter.

B2 Comment on material change in profit before tax

The Group recorded a profit before tax of RM25.01 million for the current quarter ended 30 June 2010 as compared to a profit of RM22.69 million in the previous quarter ended 31 March 2010. The increase in profit recorded was mainly due to the property and development sector which recorded a profit of RM5.22 million as compared to a profit of RM2.51 million for the previous quarter.

B3 Commentary on prospects

The Group expects the infrastructure and utilities sector continues to be the major contributor towards the Group's earnings in view that its property development sector performance will continued to remain challenging.

The Group will continue to strive on improving its operational efficiency 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.

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B5 Income tax and zakat expense

	3 months ended 30.6.2010 RM'000	6 months ended 30.6.2010 RM'000
Current tax position	7,818	13,252
Deferred tax transfer to balance sheet	(3,036)	(6,368)
Income tax expense	<u>4,782</u>	<u>6,884</u>
Zakat expense	<u>12</u>	<u>21</u>
Income tax and zakat expense	<u>4,794</u>	<u>6,905</u>

The effective tax rate for the Group for the current quarter is lower due to the utilisation of capital allowances as well as tax incentives available to certain subsidiary companies of the Group.

B6 Sale of unquoted investment and properties

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

B7 Quoted securities (Non Current and Current)

During the current quarter, the group disposed off 4,331,800 unit of Taliworks Corporation Berhad warrants for a total proceed of RM2,209,020.52 resulting a gain on disposal of RM1,545,868.52.

As at 30 June 2010, the Group's available-for-sale investments in quoted securities are as follow:

	As at 30 June 2010	
	Non Current RM'000	Current RM'000
At cost	63,709	976
At book value	39,224	2,341
At market value	39,224	2,341

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.

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B9 Borrowings

The Group borrowings as at 30 June 2010 and all denominated in local currency are as follows:

	RM'000
Short term borrowings	
Secured	235,960
Unsecured	34,857
	<u>270,817</u>
Long term borrowings	
Secured	1,043,815
Unsecured	252
	<u>1,044,067</u>
Total Borrowings	<u>1,314,884</u>

B10 Off balance sheet financial instruments

There were no off balance sheet financial instruments 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. Judgment was obtained in favour of SAP and SAP filed a winding up proceeding. Pursuant to the Winding-Up Order made on 20 May 2008, an OA was appointed as the liquidator for PAG. SAP filed proof of debt on 16 July 2009 for a total amount of RM20,342,391.78 consisted of judgment sum of RM15,930,000 and interests of RM4,412,391.78.
2. Central Spectrum (M) Sdn Bhd ("CSSB") filed an appeal against Pentadbir Tanah Daerah Klang ("PTDK")'s decision in respect of quantum & measurement of land acquisition for Lots 74072, 74073, 74074 and 74075 [No. Hakmilik: PN 7941, 7940, 7939 and 7938] at vide Shah Alam High Court Summons No. MT3-15-686-2004 ("KTM 1").

Central Spectrum (M) Sdn Bhd (CSSB) filed another appeal against Pentadbir Tanah Daerah Klang (PTDK)'s decision in respect of quantum & measurement of land acquisition for Lots 74076, 74077, 74078, 74079 and 10490 [No. Hakmilik: PN 7937, 7936, 7935, 7934 and 12229] vide Shah Alam High Court Summons No. RT-MT1-15-88-2005 - ("KTM 2").

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The Court has fixed the hearing date for both KTM1 and KTM2 on 21 September 2010.

CSSB's solicitors are of the opinion that the probable outcome of the case would be that the Court will either maintain or increase the Award of PTDK.

3. Central Spectrum (M) Sdn Bhd. (CSSB) filed an appeal against Pentadbir Tanah Daerah Klang (PTDK)'s decision in respect of land acquisition for Lot 24082. Pajakan Negeri 7942 (Marine) at Shah Alam High Court Summons No. RT1-Mt1-15-154-2006.

CSSB filed on appeal on the quantum and measurement awarded to CSSB. The court has fixed the hearing date on 21 September 2010

4. Central Spectrum (M) Sdn Bhd. (CSSB) filed an action against Pentadbir Tanah Daerah Klang (PTDK)'s decision in respect of land acquisition for South Klan Valley Express Way (SKVE) for lots 74082, 74088, 74087 and PT 79492 (No. Hak Milik : PN 7942, PN 7925, PN 7926 and HSD 67045) at Shah Alam High Court Summons No. MT4-15-110-2009.

The Court has fixed the hearing date on 21 September 2010.

Part B – Konsortium ABASS Sdn. Bhd. (“ABASS”) as the Plaintiff(s)

1. Konsortium ABASS Sdn Bhd (“ABASS”) filed an Originating Summons on 5 October 2009 against Syarikat Bekalan Air Selangor Sdn Bhd (“SYABAS”) whereby ABASS is seeking the following:-
 - i. A declaration that the Schedule of Bulk Supply Rates (“BSR”) as set out in the Table of Appendix 1 of the First Supplemental Agreement dated 10 February 2001 (“First Supplemental Agreement”) is to substitute the Schedule of BSR as set out in Table 1 at page 3 of Appendix 5 of the Privatisation Cum Concession Agreement dated 9 December 2000 (“PCCA”);
 - ii. A declaration that save for the substitution above to Appendix 5 of the PCCA, the Principles on the Bulk Supply Charge Payment Mechanism (“BSC”), the formulas and calculations of BSC by taking into account of any variable costs of chemicals and electricity tariff and any additional costs as set out at pages 1 to 15 of Appendix 5 of the PCCA remain applicable and are valid, binding and effectual between the parties;
 - iii. A declaration that the Addendum to the First Supplementary Agreement executed between the State Government of Selangor Darul Ehsan and Konsortium ABASS on 3 July 2008 is valid, binding and effectual between the parties;
 - iv. A declaration that SYABAS is liable to pay to Konsortium ABASS the full amount of the invoices relating to electricity cost for the period from June 2006 until December 2008 and that judgement be entered for Konsortium ABASS for the total sum of RM7,410,113.25;
 - v. A declaration that SYABAS is liable to pay to Konsortium ABASS the short payment for electricity cost and purchase of water invoices for the period from January 2009 to April 2009 and that judgement be entered for Konsortium ABASS for the total sum of RM55,691,717.73;
 - vi. General damages, interest, costs and such further or other order as deemed fit by the Court.

The Kuala Lumpur High Court had on 7 May 2010 allowed Konsortium ABASS application and made the following order:

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- i) Judgement of RM70,137,951.21 as at 31 March 2010 be entered against SYABAS;
- ii) Interest at the rate of 8% per annum from 7 May 2010 until the date of full realisation; and
- iii) Cost of RM20,000.00 to be paid to Konsortium ABASS.

SYABAS had on 11 May 2010 filed a Notice of Appeal to appeal the judgement. The appeal was heard by the Court of Appeal's learned judges on 23 July 2010.

On 6 August 2010, after clarifications from the counsels, the Court of Appeal has allowed the appeal with costs of RM20,000. The Court of Appeal found that the amount claimed by Konsortium ABASS in its Originating Summons for invoices due and payable as at end June 2009 of RM63,101,830.98 has been paid and satisfied by SYABAS. The Originating Summons was therefore spent.

Konsortium ABASS shall seek solicitors' advice and take legal action for recovery of the balance amount outstanding as at 31 July 2010 of RM104,365,848.01.

Part C - 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 and in the alternative, refund of all monies paid by UDSB to DHSB totalling RM7,228,000.00 with interest at 8% per annum, as well as damages for breach of contract against Perbadanan Kemajuan Pertanian Selangor ("PKPS"), SAP Holdings Berhad ("SAP") and Desa Hilir Sdn Bhd ("DHSB") [collectively referred as the Defendants] 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 & 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") of which PKPS was the registered proprietor.

The court has dismissed the case against PKPS and SAP with costs and has allowed the case against DHSB. UDSB had filed an appeal against the High Court decision.

2. Menara Setia Sdn Bhd ("MSSB") 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 RM1,893,200.14 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 court had on 28 October 2009 found that MSSB had not proven its claim and accordingly dismissed the same with costs. MSSB has filed notice of appeal but no hearing date has been fixed yet. The Parties are waiting for grounds of judgment.

3. Mazli Mohamed, a former employee of Central Holdings Management Services Sdn Bhd ("CHMS") (a subsidiary company of SAP) who had resigned from CHMS instituted proceedings against SAP Holdings Berhad ("SAP") vide Industrial Court Suit No. 7/4-480/98 seeking reinstatement to his former job as a General Manager in CHMS or in the alternative, compensation for purported wrongful dismissal alleging that the his resignation notice was an involuntary act.

CHMS solicitor is of a view that the Claimant's dismissal can be justified on grounds of criminal breach of trust. However, in the event that court awards judgment in favour of the Claimant, the quantum of damages is estimated at RM300,000 excluding interests and costs.

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4. CGE Construction Sdn Bhd (“CGE”) has filed an action against SAP Air Hitam Properties Sdn Bhd (“SAP”) on 20.04.2006 vide Shah Alam Civil Suit No. MT4-22-434-2006 alleging that SAP owes CGE the sum of RM4,116,506.20 together with cost and interest at the rate of 8% per annum from 20.04.2006 to the date of realisation, purportedly being balance payment for work done at the 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”).

SAP filed an Stay Application at the Court pending arbitration as provided under the Conditions of Contact for the Project and same was allowed by the SAR and High Court. CGE has appealed to the Court of Appeal against the High Court decision. No date has been fixed yet.

5. Joginder Singh & Co. (“JSC”) filed an Originating Summons on 10.07.2007 against Kumpulan Hartanah Selangor Berhad (“KHSB”), Brisdale Holdings Berhad (“BHB”) and Brisdale Rasa Development Sdn Bhd (“BRD”) (hereinafter collectively referred to as “the Defendants”) vide Kuala Lumpur High Court Originating Summons No. S2-24-65-2007 for a declaration of liability to pay JSC the sum of RM2,262,500.00 purportedly being the outstanding legal fees and disbursements in respect of the case - Brisdale Rasa Development Sdn Bhd –v-Silver Concept Sdn Bhd.

On 14 September 2009, the court, in the main suit, had allowed JSC’s claim with costs of RM30,000 in lieu of taxation. KHSB had appealed against the decision.

On 31 March 2010, at the stay of judgment application hearing, conditional stay was granted and it was ordered that the judgment sum of RM2,262,500.00 be paid into the joint fixed deposit account of the solicitors for the Plaintiff and solicitors for the 1st Defendant in an interest bearing account within one (1) month from the date of the order pending outcome of the appeal. KHSB had complied with the order accordingly and paid the judgment sum in favour of its solicitor Messrs Jayadeep Hari & Jamil as stakeholder.

6. AmFinance Berhad [now known as AmBank (M) Berhad] (“AMF”) has instituted foreclosure proceedings against SAP Holdings Berhad (“SAP”) 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”).ered into between SAP and CTSB.

CTSB’s application to intervene in the foreclosure proceeding was dismissed on 19 October 2009.

7. Cergas Tegas Sdn Bhd (“CTSB”) filed an action vide Kuala Lumpur High Court No. S2-22-185-2004 against SAP Holdings Berhad (“SAP”) and Star Everest Sdn Bhd (“SESB”) alleging unlawful termination by SAP of the joint venture agreement and the agreements ancillary thereto (“JVA”) and seeking damages to be assessed and the purported loss of profits of approximately RM350.0 million.

SAP has filed its defence and made a counterclaim of RM399 million against CTSB and indemnity against all claims in the foreclosure proceedings.

Since the last case management which was on 1 March 2010, there is no date yet fixed for the case.

8. Pembinaan Juta Mekar Sdn Bhd (“PJM”) filed an action against SAP Holdings Berhad (“SAP”) and Templer Park Golf Resort Berhad (“TPGR”) on 18.04.2008 vide Shah Alam High Court Civil Suit No. MT3-22-617-2008 alleging that SAP and TPGR owe PJM the sum of RM10,270,351.28 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.

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SAP's 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 Holdings and TPGR.

9. Roslan Bin Mohd Jani and Others (collectively as "the Claimants") instituted a legal proceeding against SAP Ulu Yam Sdn Bhd ("SUYY"), SLP Perunding Sdn Bhd, Yayasan Selangor, Majlis Daerah Hulu Selangor dan Kerajaan Negeri Selangor (collectively be referred to as "the Defendants") at the Shah Alam High Court Civil No : 21-212-2009 alleging inter alia that the Defendants collectively or individually through their negligent action(s) or omission(s) had failed to ensure that the property sold to the Defendant and its surrounding area is safe for occupation.

The parties are now exchanging their respective bundle of documents and the case is fixed for further case management on 26 August 2010.

B12 Dividends

A final gross dividend of 4 sen per share less tax amounting RM14,274,713 in respect of the year ended 31 December 2009 which was approved by the shareholders at the Annual General Meeting of the Company held on 17 June 2010 was paid on 17 August 2010.

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B13 Earnings per share

(a) Basic earnings per share

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

(b) Diluted earnings per share

The diluted earnings per share is calculated by dividing the net 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.

	3 Months Ended 30.06.2010	3 Months Ended 30.06.2009	6 Months Ended 30.06.2010	6 Months Ended 30.06.2009
(a) Basic earnings per share				
Net profit attributable to equity holders of the Company (RM'000)	14,176	16,482	28,580	23,169
Weighted average number of shares in issue ('000)	475,824	475,850	475,824	475,757
Basic EPS (sen)	3.0	3.5	6.0	4.9
(b) Diluted earnings per share				
Net profit attributable to equity holders of the Company (RM'000)	14,176	16,482	28,580	23,169
Weighted average number of shares in issue ('000)	475,824	475,850	475,824	475,757
Effects of dilution from exercise of ESOS options ('000)	964	356	964	338
	476,788	476,206	476,788	476,095
Diluted EPS (sen)	3.0	3.5	6.0	4.9

BY ORDER OF THE BOARD

HASHIMAH MOHD ISA
Company Secretary

Date: 25 August 2010