

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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” issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The unaudited interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2010.

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 2010 except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and Issue Committee Interpretations (“IC Interpretations”) with effect from 1 January 2011.

On 1 January 2011, 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 2011.

FRS 1	First-time adoption of financial reporting standards
FRS 3	Business Combinations (revised)
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether An Arrangement contains a Lease
IC Interpretation 12	Service concession arrangements
IC Interpretation 17	Distribution of non-cash assets to owners
IC Interpretation 18	Transfers of assets from customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Improvement to FRSs issued in 2010	

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation will also be effective for annual periods beginning on or after 1 January 2011. These FRS are, however, not applicable to the Group or the Company.

The adoption of the above FRS, Amendments to FRS and IC Interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2011**

a) IC Interpretation 12

The new IC Interpretation 12 applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. Consideration given by the grantor to the operator may be rights to a financial asset or an intangible asset.

The operator shall recognise a financial asset model to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The operator shall recognise an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

For financial asset model, the amount due from grantor is accounted as receivable under FRS 139, and requires interest calculated using the effective interest method to be recognised in profit or loss. Intangible asset with a finite useful life shall be amortised on a systematic basis over its useful life. Where the operator has contractual obligations to maintain and restore infrastructure that it must fulfil as a condition of its licence, these obligations are recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

Pursuant to IC Interpretation 12, the Group has applied the Interpretation retrospectively and the following are the effects arising from the above changes in accounting policy:

	As previously stated (audited) RM'000	Effects of adoption IC Interpretation 12 RM'000	As restated RM'000
As at 31 December 2010			
Consolidated Statement of Financial Position			
Non-current Assets			
Concession assets	74,126	(74,126)	-
Investment in associates	461,499	174,077	635,576
Intangible assets	-	53,742	53,742
Amount due from grantor	-	308,258	308,258
Equity			
Retained earnings	282,803	117,763	400,566
Minority interest	178,975	(17,877)	161,098
Non Current Liabilities			
Long term payables	219,704	157,857	377,561
Accrued lease rental	29,924	(29,924)	-
For 3 months ended 31 March 2010			
Consolidated Income Statement			
Other expenses	(26,901)	(740)	(27,641)
Finance cost	(24,831)	(2,542)	(27,373)
Share of profit of associates	17,103	7,637	24,740

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2011**

As at 31 December 2009			
Consolidated Statement of Financial Position			
Non-current Assets			
Concession assets	86,648	(86,648)	-
Investment in associates	447,985	135,395	583,380
Intangible assets	-	56,700	56,700
Amount due from grantor	-	330,828	330,828
Equity			
Retained earnings	291,629	81,732	373,361
Minority interest	185,874	(12,422)	173,452
Non Current Liabilities			
Long term payables	245,949	147,690	393,639
Accrued lease rental	24,905	(24,905)	-

In addition, the changes in the above accounting policy have the effect of decreasing the loss by RM6,628,000 for the current quarter ended 31 March 2011.

At the date of authorisation of these interim financial statements, the following FRSs and IC Interpretations were in issue but not yet effective and have not been applied by the Group and the Company:

		Effective for financial year beginning on or after
FRS 124	Related Party Disclosure	1 January 2012
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011

A3 Audit report of preceding annual financial statements

The audited financial statements for the financial year ended 31 December 2010 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

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.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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	
	31.03.2011	31.03.2010
	RM'000	RM'000
Segment Revenue		
Revenue from continuing operations:		
Infrastructure and utilities	46,863	35,285
Property development and management	46,753	46,335
Trading	9,416	8,922
Hospitality	6,009	5,703
Golf club and recreational facilities	1,787	1,683
Investment holding	10,107	36,379
Total revenue including inter-segment sales	120,935	134,307
Elimination of inter-segment sales	(8,328)	(34,828)
Total	112,607	99,479
Segment Results		
Results from continuing operations:		
Infrastructure and utilities *	41,116	31,835
Property development and management	(42,603)	2,507
Trading	1,468	1,023
Hospitality	(855)	(1,174)
Golf club and recreational facilities	(498)	(649)
Investment holding	673	27,543
Total (loss)/profit	(699)	61,085
Eliminations	(8,611)	(34,039)
(Loss)/profit before tax	(9,310)	27,046

* Included share of profit of associates involved in infrastructure and utilities activities.

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

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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 31 March 2011 is as follows:

	RM'000
Approved but not contracted for	<u>5,322</u>

A14 Contingent liabilities

The contingent liabilities as at 31 March 2011 are as follows:

	RM'000
a) Secured	
i) Guarantees to secure banking and other credit facilities of an 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	45,001
b) Unsecured	
i) Performance guarantees to third parties	513
ii) Other claims filed against the Group	<u>4,134</u>
	<u>55,508</u>

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

- c) On 16 February 2004, 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 counter-claim on 17 March 2004, 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. On 16 February 2011, 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. The case is fixed for trial on 5 July 2011 and 6 July 2011.

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. 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. Subsequently, on 20 May 2011 the Option Committee has approved the extension of KPS ESOS Scheme tenure for another 2 years commencing from 29 July 2011 until 29 July 2013.

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.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2011**

- (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 31.03.2011 '000
			As at 1.1.2011 '000	Granted '000	Terminated '000	Exercised '000	
12 August 2003	29 July 2013	1.62	3,780	-	(476)	-	3,304
27 February 2007	29 July 2013	1.00	2,250	-	-	-	2,250
23 July 2007	29 July 2013	1.62	755	-	-	-	755
26 July 2007	29 July 2013	1.62	82	-	-	-	82
3 August 2007	29 July 2013	1.98	25	-	-	-	25
17 July 2008	29 July 2013	1.93	550	-	-	-	550
5 May 2009	29 July 2013	1.62	2,751	-	-	-	2,751
			<u>10,193</u>	<u>-</u>	<u>(476)</u>	<u>-</u>	<u>9,717</u>

(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 subject however, to an extension at the discretion of KHSB's Option Committee for a period up to 5 years commencing from the date of expiration of the original 5 years period. The KHSB ESOS is governed by the by-laws which were approved by the shareholders at the Extraordinary General Meeting on 15 June 2004. Subsequently, the KHSB's Option Committee has approved to the extension of KHSB ESOS scheme tenure for another 5 years expiring on 27 December 2015.

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.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2011**

- (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.

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 31.03.2011 '000
			As at 1.1.2011 '000	Granted '000	Terminated '000	Exercised '000	
28 Dec 2005	27 Dec 2015	1.00	31,342	-	(33)	-	31,309
05 Jan 2008	27 Dec 2015	1.00	1,427	-	(75)	-	1,352
			<u>32,769</u>	<u>-</u>	<u>(108)</u>	<u>-</u>	<u>32,661</u>

No options were exercised during the financial period.

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

For the current quarter ended 31 March 2011, the Group registered revenue of RM112.61 million as compared to RM99.48 million in the preceding year corresponding quarter 2010, representing an increase in revenue of 13% or RM13.13 million. The increase was mainly due to higher revenue recorded by infrastructure and utilities sector as a result of the increase in the volume for the sale of treated water and the bulk supply rate.

The Group recorded a loss before tax of RM9.31 million for the current quarter as compared to a profit of RM27.05 million in the preceding year corresponding quarter 2010. The loss for the current quarter was due to the property sector which recorded a loss of RM42.44 million as compared to a profit of RM2.65 million in the preceding year corresponding quarter 2010. The loss recorded by property sector was due to allowance for impairment on non-current receivables of RM20.75 million, allowance for impairment on land held for property development of RM20.77 million and allowance for impairment on inventories of RM5.07 million. However, the infrastructure and utilities sector recorded an increase in profit of RM8.54 million as compared to the preceding year corresponding quarter.

B2 Comment on material change in profit before tax

The Group recorded a loss before tax of RM9.31 million for the current quarter ended 31 March 2011 as compared to a profit of RM0.57 million in the previous quarter ended 31 December 2010. The decrease in profit recorded was mainly due to the property sector which recorded a loss of RM42.44 million as compared to a loss of RM13.22 million for the previous quarter. The loss was due to allowance for impairment on non-current receivables of RM20.75 million, allowance for impairment on land held for property development of RM20.77 million and allowance for impairment on inventories of RM5.07 million made during the current quarter. However, the infrastructure and utilities sector recorded a higher profit of RM40.47 million as compared to a profit of RM22.33 million for the previous quarter and this was due to the increase in the volume for the sale of treated water and the bulk supply rate.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

B3 Commentary on prospects

Notwithstanding that the ongoing water restructuring in Selangor remains unresolved, the Group expects the infrastructure and utilities sector continues to be the major contributor towards the Group's earnings.

The Group will continue to strive on improving its operational efficiency in the property development sector. The Group current land bank will be 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

	3 months ended 31.03.2011 RM'000
Current tax position	13,347
Deferred tax transfer to balance sheet	(2,446)
Income tax expense	<u>10,901</u>
Zakat expense	<u>25</u>
Income tax and zakat expense	<u>10,926</u>

The effective tax rate for the Group for the current quarter is higher due to the non-deductibility of certain expenses.

B6 Sale of unquoted investment and properties

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

B7 Quoted securities

During the current quarter, there were no purchases or sales of quoted securities.

As at 31 March 2011, the Group's available-for-sale investments in quoted securities are as follow:

	Non Current RM'000
At cost	63,709
At book value	40,557
At market value	40,557

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.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

B9 Borrowings

The Group borrowings as at 31 March 2011 and all denominated in local currency are as follows:

	RM'000
Short term borrowings	
Secured	390,594
Unsecured	26,511
	<u>417,105</u>
Long term borrowings	
Secured	972,103
Unsecured	-
	<u>972,103</u>
Total Borrowings	<u>1,389,208</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. Summary judgment was obtained in favour of SAP on 12 February 2007. Due to failure by PAG to honour the aforesaid judgment, SAP filed a winding up proceeding against PAG. Pursuant to the winding up order made on 20 May 2008, the Official Assignee ("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.

The matter is still under the OA's action on the same.

2. Central Spectrum (M) Sdn Bhd ("CSSB") filed an appeal against Pentadbir Tanah Daerah Klang ("PTDK")'s decision in respect of quantum and measurement of land acquisition for Lots 74072, 74073, 74074 and 74075 (No. Hakmilik: PN 7941, 7940, 7939 and 7938) vide Shah Alam High Court Summons No. MT3-15-686-2004 ("KTM 1"). On 24 December 2010, the High Court upheld the award made by PTDK of RM2,664,364.00.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

On 14 January 2011, CSSB filed a notice of appeal against the High court's decision vide Civil Appeal No. B-01-57-11 and on 15 April 2011, CSSB filed the record of appeal for the same.

No hearing date has been fixed yet for the appeal.

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 74076, 74077, 74078, 74079 and 10490 (No. Hakmilik: PN 7937, 7936, 7935, 7934 and 12229) vide Shah Alam High Court Summons No. RT1-MT1-15-88-2005 ("KTM 2").

On 24 December 2010, the High Court ordered as follows:-

- (i) the award made by PTDK for Lot 74076 and 74077 is upheld;
- (ii) the award for Lot 74078, 74079 and 10490 is increased in the total of RM1,774,602.00 with 8% interest from the date of Borang K (i.e. 1 August 2005)

On 14 January 2011, CSSB filed notice of appeal against High court's decision vide Civil Appeal No. B-01-64-11 and on 15 April 2011, CSSB filed the record of appeal for the same.

No hearing date has been fixed yet for the appeal.

4. Central Spectrum (M) Sdn Bhd. (CSSB) filed an appeal against Pentadbir Tanah Daerah Klang (PTDK)'s decision in respect of land acquisition for Lot 74082, Pajakan Negeri 7942 by Marine Department at Shah Alam High Court Summons No. RT1-MT1-15-154-2006.

On 8 March 2011, the High Court upheld the award made by PTDK.

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

On 8 March 2011, the High Court upheld the award made by PTDK. On 30 March 2011, CSSB filed notice of appeal against the High Court's decision vide Civil Appeal No. B-01-232-11.

No hearing date has been fixed for the appeal.

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

1. ABASS filed a Writ of Summons on 28 March 2011 against SYABAS whereby ABASS is seeking the following:-
 - i) A declaration that the SYABAS is liable to make full payment on all invoices issued by the ABASS pursuant to the PCCA and Related Agreements particularly in accordance to Section 4.04 (c) of the Novation Agreements and that the SYABAS's liability to make payment in full is not in any way diminished or mitigated by reason of its right to make proportionate payment to the water concessionaires;
 - ii) Judgment for the sum of RM149,478,553.02;

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

- iii) An account of all payments due to the ABASS in respect of invoices issued after the date of the Writ herein be taken by this Honourable Court and an order that the SYABAS to pay the ABASS all such sums found to be due on the taking of such account;
- iv) Interest on the outstanding amount of the invoices for the months from January 2010 to October 2010 at the rate of one percent (1%) per annum plus the base lending rate of Malayan Banking Berhad calculated on daily basis until the date of full payment by the SYABAS;
- v) Interest on the outstanding amount of the previous outstanding invoices for the months from June 2006 to December 2009 in the sum of RM6,218,522.57;
- vi) Alternative to prayers (iii) and (iv) above, interest at the rate of 8% per annum on the outstanding amount of each of the outstanding invoices to be calculated from the respective due date until the date of full payment by SYABAS;
- vii) Damages for breach of contract;
- viii) Costs;
- ix) Such further order or relief that this Honourable Court deems fit and just.

The matter has been fixed for the next case management on 7 July 2011.

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.

No hearing date has been fixed yet.

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.

No hearing date has been fixed yet for the appeal.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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 RM300,000.00 excluding interests and costs.

The matter is now being mention before a new Chairman of the Industrial Court as previously we filed for judicial review in the High Court of Kuala Lumpur against the pervious Chairman’s conduct disallowing us to cross-examine the Claimant.

Both parties have filed their written submission and now awaiting further instruction from the new Chairman.

4. CGE Construction Sdn Bhd (“CGE”) has filed an action against SAP Air Hitam Properties Sdn Bhd (“SAP”) on 20 April 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 April 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 application for Stay of Proceeding before the Court pending arbitration as provided under the Conditions of Contact for the Project and same was allowed by the Senior Assistant Registrar and upheld by the High Court. CGE filed their appeal to the Court of Appeal against the High Court decision.

No hearing date has been fixed yet for the appeal.

5. Joginder Singh & Co. (“JSC”) filed an Originating Summons on 10 July 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 a joint account as stakeholders

Our appeal was allowed by the Court of Appeal on 28 February 2011. JSC filed an appeal against the Court of Appeal’s decision at the Federal Court on 13 April 2011 and the matter is fixed for hearing on 4 July 2011.

Both parties are in the midst of making the necessary arrangement to release the judgement sum in the joint account.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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").

CTSB's application to intervene in the foreclosure proceeding was dismissed on 19 October 2009. SAP had filed its written submission on 4 November 2010 and the case is fixed for decision on 10 November 2010.

The Court has allowed AMF's application for an Order for Sale of the Gombak Land with cost of RM1,500.00. The Court further fixed 24 January 2011 as the auction date of the Gombak Land.

We have filed our notice of appeal against the decision and 29 March 2011 is fixed for hearing for the Summons for Directions in respect of the Order for Sale of the Gombak Land.

We filed our application for Stay of Execution on 23 March 2011 and on the hearing date for the said application on 25 March 2011 the court had granted an interim stay pending both parties filing their submission before the court by 19 May 2011 and the court shall give its decision on the same on 26 May 2011.

On the hearing date for the Summons for Direction in respect of the Order for Sale, i.e. 29 March 2011, the court has directed for both parties to file their submission in relation to the Summons in Chambers filed by CTSB to set aside the Order of Sale and substitution of SAP as Defendant in the said suit by 29 April 2011 and the court shall give its decision on the same on 5 May 2011 and consequently the court has extended the date for both parties to file their submission on 15 June 2011.

On 26 May 2011, the court has fixed 6 July 2011 as the date for decision in respect to our application for Stay of Execution.

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.

The case is fixed for trial on 5 July 2011 and 6 July 2011.

8. Pembinaan Juta Mekar Sdn Bhd ("PJM") filed an action against SAP Holdings Berhad ("SAP") and Templer Park Golf Resort Berhad ("TPGR") on 18 April 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.

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 and TPGR and thus we have filed application to strike out the said action. The hearing for summary judgment filed by PJM shall only be heard after the hearing for striking out application by SAP and TPGR.

No date has been fixed yet.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2011**

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 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 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 31.3.2011	3 Months Ended 31.3.2010
<i>(a) Basic (loss)/earnings per share</i>		
Net (loss)/profit attributable to equity holders of the Company (RM'000)	(3,678)	20,238
Weighted average number of shares in issue ('000)	476,824	475,824
Basic EPS (sen)	(0.8)	4.3
<i>(b) Diluted (loss)/earnings per share</i>		
Net (loss)/profit attributable to equity holders of the Company (RM'000)	(3,678)	20,238
Weighted average number of shares in issue ('000)	476,824	475,824
Effects of dilution from exercise of ESOS options ('000)	421	2,379
Diluted EPS (sen)	477,245 (0.8)	478,203 4.3

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2011**

B14 Realised and unrealised profits/losses disclosures

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive is as follows:-

	As at 31.03.2011	As at 31.12.2010 (Restated)
	RM'000	RM'000
The retained profits of the Group:-		
- Realised	7,398	79,662
- Unrealised	(36,996)	(38,515)
	<hr/> 44,394	<hr/> 41,147
Total share of retained profit from associated companies		
- Realised	352,494	327,825
	<hr/> 396,888	<hr/> 368,972
Retained earnings as per financial statements		

BY ORDER OF THE BOARD

HASHIMAH MOHD ISA
Company Secretary

Date: 31 May 2011