

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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.

A2.1 Adoption of FRSs, Amendments to FRSs and IC Interpretations

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) |
| FRS 127 | Consolidated and Separate Financial Statements |
| Amendments to FRS 1 | Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters |
| Amendments to FRS 1 | Additional Exemptions for First-time Adopters |
| Amendments to FRS 2 | Share-based Payment |
| Amendments to FRS 2 | Group Cash- Settled Share-based Payment Transactions |
| Amendments to FRS 5 | Non-current Assets Held for Sale and Discontinued Operations |
| Amendments to FRS 7 | Improving Disclosures about Financial Instruments |
| 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 FOURTH QUARTER
ENDED 31 DECEMBER 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 | 162,600 | 624,099 |
| Intangible assets | - | 54,247 | 54,247 |
| Concession rights | 335,641 | (742) | 334,899 |
| Goodwill | 137,300 | 9,781 | 137,081 |
| Amount due from grantor | - | 348,862 | 348,862 |
| Current Assets | | | |
| Inventories | 47,255 | (574) | 46,681 |
| Equity | | | |
| Retained earnings | 282,083 | 126,985 | 409,788 |
| Non-controlling interests | 178,975 | (14,357) | 164,618 |
| Non Current Liabilities | | | |
| Accrued lease rental | 29,924 | 100,814 | 130,738 |
| Amount due to government | - | 292,813 | 292,813 |
| Deferred tax liabilities | 132,495 | (207) | 132,288 |
| Current Liabilities | | | |
| Payables | 338,856 | (6,000) | 332,856 |

KUMPULAN PERANGSANG SELANGOR BERHADCompany No. 23737-K
(Incorporated in Malaysia)**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2011**

| | As previously stated (audited) RM'000 | Effects of adoption IC Interpretation 12 RM'000 | As restated RM'000 |
|---|---|--|-----------------------|
| <u>For 12 months ended 31 December 2010</u> | | | |
| Consolidated Income Statement | | | |
| Revenue | 431,445 | 8,535 | 439,980 |
| Cost of sales | (255,156) | 20,500 | (234,656) |
| Other income | 43,070 | 20,459 | 63,529 |
| Other expenses | (132,995) | (39,122) | (172,117) |
| Finance cost | (98,907) | (19,032) | (117,939) |
| Share of profit of associates | 67,606 | 21,361 | 88,967 |
| Income tax and zakat | (22,735) | 1,660 | (21,075) |
| <u>As at 31 December 2009</u> | | | |
| Consolidated Statement of Financial Position | | | |
| Non-current Assets | | | |
| Concession assets | 86,648 | (86,648) | - |
| Investment in associates | 447,985 | 141,239 | 378,355 |
| Intangible assets | - | 56,960 | 589,224 |
| Concession rights | 346,459 | 5,185 | 351,644 |
| Goodwill | 127,300 | 9,781 | 137,081 |
| Amount due from grantor | - | 358,934 | 358,934 |
| Current Assets | | | |
| Inventories | 76,517 | (636) | 75,881 |
| Equity | | | |
| Retained earnings | 291,629 | 107,168 | 398,727 |
| Non-controlling interests | 185,874 | (8,901) | 176,973 |
| Non Current Liabilities | | | |
| Accrued lease rental | 24,905 | 95,914 | 120,819 |
| Amount due to government | - | 292,236 | 292,236 |
| Deferred tax liabilities | 143,308 | 1,360 | 144,668 |
| Current Liabilities | | | |
| Payables | 385,338 | (2,962) | 382,376 |

In addition, the changes in the above accounting policy have the effect of increasing the profit by RM44.52 million for the current year ended 31 December 2011.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

A2.2 Malaysian Financial Reporting Standards (“MFRS”)

On 19 November 2011, the Malaysian Accounting Standards Boards (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture.

The adoption of the MFRS Framework will not have any material effect on the financial performance or position of the Group except for IC Interpretation 15: Agreements for the Construction of Real Estate, whereby the Group is in the process of making an assessment of the impact of this Interpretation. The Group shall fully comply with the requirements of the MFRS Framework for the financial year beginning on or after 1 January 2013.

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 except for:

- i) impairment loss on trade receivables of RM34.661 million, which arises from the fair value treatment in accordance with FRS 139, and
- ii) The State Government of Selangor has alienated to SAP Holdings Bhd (“SAP”), the subsidiary of the Group a piece of leasehold land measuring 451.4 acres (182.674 hectares) in Mukim Batu, Daerah Gombak based on a letter of alienation dated 8 August 1988 for the development of Bandar Baru Selayang.

A total of 215.64 acres of the land have been developed in various phases under the Bandar Baru Selayang development. SAP is the registered owner of the remaining land held under HS(D) 20034, PT No. 26549, Mukim Batu, Daerah Gombak measuring approximately 235.76 acres (“the Gombak Land”). SAP has paid a total sum of RM47,512.00 as land premium being the value of the land then.

The Gombak Land has been charged out upon SAP entered the joint venture development with the joint venture partner. As a result, the Gombak Land no longer recorded as the company’s asset, as the joint venture partner was given full legal rights as beneficial owner through an irrevocable Power of Attorney to deal with the joint venture land for the purpose of the development.

On 25 May 2011, SAP was served with *Borang 7A – Notis Untuk Memulih Pelanggaran Syarat* by the Gombak District Land Office being a notice under Section 128 of the National Land Code 1965 (“NLC”) to remedy a breach. The breach is in relation to the failure to construct buildings as per the implied condition under Section 116(1)(a) NLC in furtherance to the category of Buildings for which the Gombak Land was alienated to SAP and further for conducting illegal quarry operations.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

On 13 June 2011, the Gombak District Land Office issued *Borang 7B – Pelanggaran Syarat – Notis Supaya Menunjukkan Sebab* under Section 129 of the NCL being a notice to show cause at an inquiry to be held on 17 June 2011 as to why the Gombak Land ought not to be immediately forfeited by the State Authority for the breach as stated in Borang 7A and for non-compliance with Borang 7A to remedy the breach.

On 26 August 2011, SAP received *Borang 8A – Notis Perkembalian Tanah Kepada Kerajaan* dated 25 August 2011 from the Gombak District Land Office being a notice of an Order under Section 129 of NCL to forfeit the Gombak Land with immediate effect.

SAP has issued a letter on 18 November 2011 to the Gombak District Land Office to appeal against the forfeiture of the Gombak Land. However, vide a letter dated 15 February 2012, that was received on 17 February 2012, the Gombak District Land Office informed that SAP's appeal against the forfeiture notice was rejected.

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

A first interim dividend of 2 sen per share less tax amounting RM7,152,355 in respect of the year ended 31 December 2011 was paid on 31 October 2011.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2011**

A9 Segmental Information

| | 3 months ended | | 12 months ended | |
|---|-----------------|----------------|-----------------|----------------|
| | 31.12.2011 | 31.12.2010 | 31.12.2011 | 31.12.2010 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment Revenue | | | | |
| Revenue from continuing operations: | | | | |
| Infrastructure and utilities | 52,873 | 45,991 | 202,078 | 154,409 |
| Property development and management | 73,553 | 46,485 | 170,367 | 209,901 |
| Trading | 10,336 | 9,741 | 38,464 | 37,907 |
| Hospitality | 8,042 | 8,794 | 28,324 | 28,936 |
| Golf club and recreational facilities | 1,938 | 1,718 | 7,301 | 7,051 |
| Investment holding | 3,440 | 9,638 | 32,028 | 58,631 |
| Total revenue including inter-segment sales | 150,182 | 122,367 | 478,562 | 496,835 |
| Elimination of inter-segment sales | (1,639) | (8,614) | (24,933) | (56,855) |
| Total | 148,543 | 113,753 | 453,629 | 439,980 |
| Segment Results | | | | |
| Results from continuing operations: | | | | |
| Infrastructure and utilities * | (48,748) | 16,983 | 78,696 | 110,647 |
| Property development and management | (6,877) | (34,286) | (24,073) | (32,462) |
| Trading | 74 | 351 | 3,466 | 3,161 |
| Hospitality | (419) | 1,442 | (2,405) | (796) |
| Golf club and recreational facilities | (776) | (1,444) | (2,640) | (2,926) |
| Investment holding | (7,105) | (56,663) | 17,433 | (35,308) |
| Total profit | (63,851) | (73,617) | 70,477 | 42,316 |
| Eliminations | 1,957 | 69,166 | (19,285) | 25,448 |
| (Loss)/profit before tax | (61,894) | (4,451) | 51,192 | 67,764 |

* 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.

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.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

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 2011 is as follows:

| | RM'000 |
|---------------------------------|--------------|
| Approved but not contracted for | <u>4,531</u> |

A13 Contingent liabilities

The contingent liabilities as at 31 December 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 in relation to a piece of land taken by a financial institution in respect of a third party charge granted by a subsidiary company, as disclosed under B9 Part D No 5 | 48,577 |
| b) Unsecured | |
| i) Performance guarantees to third parties | 513 |
| ii) Other claims filed against the Group | <u>1,715</u> |
| | <u>56,665</u> |

- 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. Further development of the case is disclosed under B9 Part D No 6.

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. On 16 July

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

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. Pursuant to the extension of the tenure an amount of RM591,728.00 was charged to the income statement during the current quarter in accordance with FRS 2 : Share Based Payments.

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.

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 1.1.2011 '000 | Granted '000 | Terminated '000 | Exercised '000 | As at 31.12.2011 '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 |
| 23 May 2011 | 29 July 2013 | 1.10 | - | 200 | - | - | 200 |
| 21 September 2011 | 29 July 2013 | 1.00 | - | 6,024 | - | - | 6,024 |
| | | | 10,193 | 6,224 | (2,726) | - | 13,691 |

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

(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.
- (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 31.12.2011 '000 |
|-------------|-------------|----------------------|--------------------------------------|-----------------|--------------------|-------------------|-----------------------------|
| | | | As at 1.1.2011 '000 | Granted '000 | Terminated '000 | Exercised '000 | |
| 28 Dec 2005 | 27 Dec 2015 | 1.00 | 31,342 | - | (403) | - | 30,939 |
| 05 Jan 2008 | 27 Dec 2015 | 1.00 | 1,427 | - | (75) | - | 1,352 |
| | | | <u>32,769</u> | <u>-</u> | <u>(478)</u> | <u>-</u> | <u>32,291</u> |

No options were exercised during the financial period.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

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

B1 Performance review

a) Current quarter against previous year corresponding quarter

For the current quarter ended 31 December 2011, the Group registered revenue of RM148.54 million as compared to RM113.75 million in the preceding year corresponding quarter 2010, representing an increase in revenue of 31% or RM34.79 million. The increase was mainly due to higher revenue recorded by the infrastructure and utilities sector of RM6.88 million and property development sector of RM27.07 million.

The Group recorded a loss before tax of RM61.89 million for the current quarter as compared to a loss of RM4.45 million in the preceding year corresponding quarter 2010. The increase in loss was mainly due to the infrastructure and utilities sector which recorded a loss of RM48.75 million as compared to the preceding year corresponding quarter profit of RM16.98 million. However, the property development sector recorded a lower loss of RM6.88 million as compared to the preceding year corresponding quarter loss of RM34.29 million.

Performance of the respective operating business segments for the fourth quarter ended 31 December 2011 as compared to the preceding year corresponding quarter is analysed as follows:-

1. Infrastructure and utilities

The revenue for infrastructure and utilities sector increased from RM45.99 million to RM52.87 million for the current quarter due to higher sales volume of treated raw water of 146.4 MGD compared to corresponding quarter 2010 of 136.4 MGD coupled with increased in bulk supply rate (2011: RM1.04 per cubic meter, 2010: RM0.81 per cubic meter).

The infrastructure and utilities sector recorded a loss before tax of RM48.75 million as compared to profit before tax of RM16.98 million in corresponding quarter 2010. The loss was mainly due to the impairment loss on trade receivables of RM34.66 million, which arises from the fair value treatment in accordance with FRS 139 Financial Instruments: Recognition and Measurement, as well as the share of loss of associates of RM27.78 million (Q4 2010: Profit RM10.82 million).

2. Property development and management

The property development and management sector recorded higher revenue of RM73.55 million as compared to corresponding quarter 2010 of RM46.48 million. The higher revenue of RM27.07 million was due to higher contribution from land sales. The higher contribution from land sales had also contributed to lower loss before tax of RM6.88 million as compared to loss before tax of RM34.29 million in the corresponding quarter 2010. The loss in the corresponding quarter 2010 was mainly due to impairment loss on goodwill of RM19.54 million and impairment loss on land held for property development and property development cost amounting to RM8.40 million.

3. Trading

The trading sector posted a profit before tax of RM0.07 million on the back of total revenue of RM10.34 million. On current quarter against corresponding quarter 2010 comparison, profit before tax was lower by 79% mainly due to share of loss of RM0.236 million from its associated company.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

4. Hospitality

The hospitality sector recorded revenue of RM8.04 million as compared to RM8.79 million with a decrease of 8%. For the current quarter, loss before tax for hospitality sector was RM0.42 million as compared to profit of RM1.44 million in the corresponding quarter 2010. The decrease in profit was mainly due to lower room sales.

5. Golf club and recreational facilities

The golf club and recreational facilities recorded revenue of RM1.94 million as compared to RM1.72 million in the corresponding quarter 2010. The increase was mainly due to higher number of golfing rounds as compared to corresponding quarter 2010. The sector recorded a lower loss of RM0.78 million as compared to loss of RM1.44 million in the corresponding quarter 2010.

6. Investment holding

Investment holding recorded revenue of RM1.80 million as compared to RM1.71 million in the corresponding quarter 2010 and the increase was due to higher rental income. Loss before tax was RM7.34 million as compared to RM9.61 million in the corresponding quarter 2010.

b) Current year to-date against previous year to-date

For the year ended 31 December 2011, the Group registered revenue of RM453.63 million as compared to RM439.98 million in the previous year, representing an increase in revenue of RM13.65 million or 3%. The increase was mainly due to higher revenue from infrastructure and utilities sector RM47.67 million mitigated by lower revenue from property development and management sector of RM39.53 million.

The Group recorded a profit before tax of RM51.19 million as compared to previous year of RM67.76 million, representing a decrease of RM16.57 million or 24%. The decrease in profit was mainly due to the infrastructure and utilities sector which recorded a profit of RM78.70 million as compared to RM110.65 million in the previous year. However, this was mitigated by lower loss recorded by property development and management sector of RM24.07 million as compared to loss of RM32.46 million in the previous year.

1. Infrastructure and utilities

The revenue for infrastructure and utilities sector increased from RM154.41 million to RM202.08 million for the year due to higher sales volume of treated raw water of 142.13 MGD compared to previous year of 134.56 MGD coupled with increased in bulk supply rate (2011: RM1.04 per cubic meter, 2010: RM0.81 per cubic meter).

The infrastructure and utilities sector recorded a profit before tax of RM78.70 million as compared to profit before tax of RM110.65 million in previous year representing a decrease of RM31.95 million or 29%. The lower profit was mainly due to the impairment loss on trade receivables of RM34.66 million, which arises from the fair value treatment in accordance with FRS 139 in the current year.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

2. Property development and management

The property development and management sector recorded lower revenue of RM170.37 million as compared to previous year of RM209.90 million. The lower revenue of RM39.534 million was mainly due to the lower revenue from land sales of RM46.40 million recorded by its subsidiary company in the previous year. The property development and management sector recorded a loss of RM24.07 million as compared to loss of RM32.46 million. The lower loss was mainly due to waiver of quit rent penalty of RM25.24 million.

3. Trading

For the year ended 31 December 2011, trading sector posted a profit before tax of RM3.47 million on the back of total revenue of RM38.46 million. The current year revenue was higher by RM0.58 million due to the higher revenue from sale of chemical products.

4. Hospitality

The hospitality sector recorded revenue of RM28.32 million as compared to RM28.94 million with a decrease of RM0.62 million or 2%. The loss before tax for hospitality sector RM2.41 million as compared to loss of RM0.80 million in the previous year due to lower room sales recorded for the year.

5. Golf club and recreational facilities

The golf club and recreational facilities recorded revenue of RM7.30 million as compared to RM7.05 million in the previous year. The increase was mainly due to higher number of golfing rounds as compared to previous year. The golf club and recreational facilities loss before tax decreased from RM2.93 million to RM2.64 million due to the increased in revenue.

6. Investment holding

The investment holding sector recorded revenue of RM7.09 million as compared to RM6.52 million with an increase of RM0.57 million, mainly due to higher rental income. The loss before tax decreased from RM33.38 million to RM10.06 million and was mainly due to gain on disposal of unquoted investment securities of RM24.68 million for the current year.

B2 Comment on material change in profit before tax

The Group recorded a loss before tax of RM51.89 million for the current quarter ended 31 December 2011 as compared to a profit of RM79.23 million in the previous quarter ended 30 September 2011. The decrease in profit recorded was mainly due to the infrastructure and utilities sector which recorded a loss of RM48.75 million as compared to a profit of RM41.63 million for the previous quarter due to impairment loss on receivables of RM34.66 million. The property sector also recorded a lower profit of RM3.12 million as compared to a profit of RM20.57 million for the previous quarter due to the waiver of quit rent penalty of RM25.24 million in the previous quarter.

B3 Commentary on prospects

1. Infrastructure and utilities

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.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

2. Property development and management

Whilst the Group continues to address the challenging issues from previous property development and joint venture projects, the Group has outlined some strategic plans to be implemented over the next few years.

Currently the Group is undertaking a "Request For Proposal" exercise for 4,976 acres and 457 acres of its lands which are located at Bestari Jaya and Pulau Indah respectively.

The Group has successfully completed and sold Phase 1 of the Selangor Halal Hub Pulau Indah measuring 300 acres. The infrastructure works for Phase 2 which cover 400 acres are currently 95% completed and are expected to be fully completed by June 2012.

The Group has decided to develop a piece of land measuring 9.60 acres at Petaling Jaya, Section 14 on a joint-venture basis and the development planning on the land is in progress. The project by virtue of its strategic location had attracted market interest and the Group is very careful in its planning as to maximize its returns.

The Group is also actively searching for strategically located lands for future development.

3. Hospitality, golf club and recreational

For the hospitality, golf club and recreational sector, the Group will enhance and redevelop its hotels and properties to improve contribution to the overall financial performance. The Group foresees huge redevelopment potential in its various properties that it can leverage to boost business activities and increase contribution to the bottom line. The Group will also continue to identify strategic hotel acquisitions, explore relocation of its existing hotels as well as streamline its existing business model to improve operational efficiencies.

B4 Profit forecast and profit guarantee

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

KUMPULAN PERANGSANG SELANGOR BERHADCompany No. 23737-K
(Incorporated in Malaysia)**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2011****B5 Other operating income/(expenses)**

Included in other operating income/(expenses) are the follow credits/(charges):

| | 3 months ended | | 12 months ended | |
|---|----------------|------------|-----------------|------------|
| | 31.12.2011 | 31.12.2010 | 31.12.2011 | 31.12.2010 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income: | | | | |
| - on amount due from grantor – IC 12 | 19,885 | 20,459 | 19,885 | 20,459 |
| - fixed deposit | 79 | 50 | 850 | 1,645 |
| - others | 8,875 | 7,844 | 26,237 | 30,142 |
| Gain/(loss) on disposal: | | | | |
| - property, plant and equipment | 57 | 2,235 | 2,658 | 2,374 |
| - unquoted investment securities | - | - | 24,684 | - |
| - investment properties | - | (507) | - | (507) |
| Gain/(loss) on foreign exchange | (7) | 3 | (2) | 34 |
| Waiver of quit rent penalty | - | - | 25,239 | - |
| Finance costs | (34,609) | (34,852) | (114,871) | (117,939) |
| Depreciation of property, plant and equipment | (3,267) | (3,250) | (11,604) | (11,806) |
| Amortisation of intangible assets | (7,580) | (7,632) | (19,717) | (16,746) |
| Amortisation of amount due from grantor – IC 12 | (30,531) | (33,140) | (30,531) | (33,140) |
| Impairment loss on: | | | | |
| - non current receivables | - | - | (20,750) | - |
| - trade receivables | (34,661) | (692) | (35,305) | (4,438) |
| - land held for property development | (10,000) | (7,583) | (30,765) | (10,921) |
| - property development cost | - | (814) | - | (814) |
| - investment properties | - | (473) | - | (473) |
| - inventories | - | - | (5,071) | - |

Other items not applicable to the Group are write off of receivables, write off of inventories and gain or loss on derivatives.

B6 Income tax and zakat expense

| | 3 months ended | | 12 months ended | |
|--|----------------|------------|-----------------|------------|
| | 31.12.2011 | 31.12.2010 | 31.12.2011 | 31.12.2010 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax position | (16,321) | 13,686 | 16,990 | 29,636 |
| Deferred tax transfer to balance sheet | (2,286) | (2,602) | (7,450) | (9,072) |
| Income tax expense | (18,607) | 11,084 | 9,540 | 20,564 |
| Zakat expense | 29 | 230 | 441 | 511 |
| Income tax and zakat expense | (18,578) | 11,314 | 9,981 | 21,075 |

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.

B7 Status of corporate proposals

There were no corporate proposals announced but not completed as at the date of this report.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

B8 Borrowings

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

| | RM'000 |
|------------------------------|---------------------------|
| Short term borrowings | |
| Secured | 242,816 |
| Unsecured | 24,767 |
| | <hr/> 267,583 |
| Long term borrowings | |
| Secured | 964,884 |
| Unsecured | - |
| | <hr/> 964,884 |
| Total Borrowings | <hr/> <hr/> 1,232,467 |

B9 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.

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.

The court has yet to fix a hearing date for the appeal.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

3. Central Spectrum (M) Sdn Bhd. (CSSB) filed another appeal against Pentadbir Tanah Daerah Klang (PTDK)'s decision in respect of quantum and 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"). PTDK had awarded CSSB a sum of RM4,535,114.00.

CSSB appealed against the PTDK's award and on 24 December 2010, the High Court has increased the amount as follows:

- (i) for Lot 74076 and Lot 74077 maintained the nominal award RM10.00 each;
- (ii) for Lot 74078 increased to RM819,702.00;
- (iii) for Lot 74079 increased to RM593,100.00; and
- (iv) for Lot 104400 increased to RM361,800.00.

The total amount increased for item (ii) to (iv) above is RM1,774,602.00 with interest of 8% per annum from the date of Borang K (1 August 2005) until the date of Order and further interest at 8% per annum on RM1,774,602.00 if payment is made after 3 months from the date the sealed Order is served on PTDK.

PTDK has paid RM2,541,230.06 on 13 October 2011, being the total increased award of RM1,774,602.00 together with 8% interest per annum on RM1,774,602.00 from the date of Borang K (1 August 2005) until the date of Order (24 December 2010) of RM766,628.06.

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.

The court has yet to fix the hearing date for the appeal.

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 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. PTDK awarded RM54,633,959.22.

CSSB appealed against PTDK's decision and on 8 March 2011, the High Court upheld the Award made by PTDK on the basis that the award is reasonable and the award for Injurious Affection for PT 74087 and PT 74088 is also maintained.

On 30 March 2011, CSSB filed Notice of Appeal against the High Court's decision vide Civil Appeal No. B-01-232-2011.

The Court has yet to fix the Hearing Date.

5. SAP Holdings Berhad ("SAP") filed an Originating Summons against Messrs Arbain & Co ("MAC") on 27 July 2011 disputing the claim made by MAC amounting to RM4,711,453.00 being the outstanding legal fees pursuant to the Notice of Section 218 of the Companies Act 1965 dated 1 August 2011 served by MAC on SAP 10 August 2011. SAP has referred the bill for further direction from the Court. On 25 August 2011, SAP filed an injunction against MAC from commencing the winding-up proceedings and SAP was granted the Ex-Parte Injunction (pending hearing of inter-partes) on 26 August 2011. The case is fixed for case management on 7 September 2011 and the inter-parte hearing is fixed on 15 September 2011. On 15 September 2011, SAP obtained Ad Interim Injunction. The case management has been fixed on 22 December 2011. However, on 22 December 2011, SAP filed Summons in Chambers in support of SAP's application under Order 14A(1) and (2) Rules of High Court 1980 to strike out the Notice Pursuant to Section 218 of the Companies Act 1965 and the Bill of Cost dated 26 March 2010 for the alleged sum of RM4,711,453.00 as the Notice and the Bill of Cost were issued to two (2) different entities. The court has fixed the next case management on 6 March 2012 for the parties to complete the affidavits and thereafter to concurrently file their respective written submissions.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

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

1. ABASS filed a Writ of Summons in High Court 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;
 - 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 the 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 the Court deems fit and just.

On 30 March 2011, the sealed copy of the Writ of Summons was served on SYABAS. During the case management fixed on 12 April 2011, SYABAS's solicitors informed the Court that SYABAS will be issuing Third Party proceedings against the Selangor State Government. The Court has fixed 30 May 2011 for the next case management.

On 30 May 2011, ABASS's solicitors informed the Court that ABASS had filed its Reply and Defence to Counterclaim on 27 May 2011 and will prepare and file an application for trial of preliminary issues. Pending the above, the Court has fixed 7 July 2011 for case management.

On 7 July 2011, ABASS's solicitors informed the Court that ABASS has filed an application for trial of preliminary issues on 6 July 2011. SYABAS further informed the Court that they have served a Summons for Leave to Issue a Third Party Notice on 6 July 2011. SYABAS is seeking leave of Court to sue the Selangor State Government as a third party to ABASS's claim and is seeking a 100% indemnity from the State Government in the event that SYABAS is liable to pay to ABASS. The Court has fixed the next case management on 29 July 2011 for SYABAS to file its affidavit in reply to ABASS's affidavit.

On 29 July 2011, SYABAS's solicitors informed that they have filed and served affidavit in reply on 28 July 2011 to ABASS's application for trial of preliminary issues. The Court further fixed 19 August 2011 for

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

ABASS to reply to SYABAS's affidavits and subsequently, on 26 August 2011 for SYABAS to reply to ABASS's affidavits. The next case management was fixed on 26 August 2011.

On 26 August 2011, ABASS solicitors informed the High Court that there are three applications pending in the High Court as follows:

- 1) Enclosure 10 - ABASS's application for trial of preliminary issue
- 2) Enclosure 13-SYABAS's application to issue third party notice against the Selangor State Government
- 3) Enclosure 14 - SYABAS's application to amend its Defence

ABASS 's solicitors also informed the Court that ABASS had filed and served affidavits in reply in respect of all the above applications.

The Court has fixed 26 September 2011 as the final case management whereby the said date is for the parties to exhaust their affidavits and to fix hearing dates where necessary.

On 26 September 2011, both parties deliberated on the above applications and the Court fixed the next Case Management on 5 October 2011 in order to fix the hearing dates for the said applications.

On 5 October 2011, ABASS's solicitors informed the Court that ABASS had been served with the Defendant's Affidavits in Reply for all the three (3) enclosures on 26 September 2011 and may need to file in a reply.

Having heard from the solicitors of both parties on the order of the hearing of the three (3) enclosures, the Court has fixed the hearing dates as follows:

- (i) Enclosure 13 & 14 (SYABAS's application to issue third party notice against the Selangor State Government & SYABAS's application to amend its Defence) on 21 October 2011;
- (ii) Enclosure 10 (ABASS's application for trial of preliminary issue) on 21 November 2011

On 21 October 2011, after hearing of Enclosure 13 and 14, the Court has fixed 31 October 2011 for decisions on both applications. However, on 31 October 2011, the Court has adjourned the decision date to 3 November 2011.

On 3 November 2011, the Court allowed SYABAS's applications to amend the Defence and to issue third party notice against Selangor State Government. With regards to the amendment application, ABASS sought leave to file a reply to SYABAS's Amended Defence within 2 weeks upon the service of the sealed Amended Defence or any further extension of time by agreement of both parties. The next case management is fixed on 17 November 2011 pending SYABAS's service of the third party notice against Selangor State Government.

On 8 November 2011, ABASS filed an appeal to the Judge in Chambers against the decision of the High Court in respect of Enclosures 13 and 14. The Court has fixed 23 November 2011 as the hearing date for both appeals.

On 17 November 2011, the counsel for Selangor State Government informed the Court that they have filed their Memorandum of Appearance on 15 November 2011, however, they have yet to file in their

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

defence and they intend to set aside the Third Party Notice. The Court confirmed the hearing dates as follows :

- a. 21 November 2011 – Enclosure 10.
- b. 23 November 2011 – ABASS's appeal against the decision of the Court delivered on 3 November 2011.

The next case management is fixed on 23 November 2011 for ABASS to update the Court on the status of the above hearings and for SYABAS to file Summons for Directions in respect of the Third Party Proceeding.

On 21 November 2011, the Court adjourned the Hearing for Enclosure 10 to 13 January 2011 and maintained 23 November 2011 as the hearing date for ABASS's appeal against the decision of the Court delivered on 3 November 2011.

On 23 November 2011, after having heard of ABASS's appeal against the decision of the High Court in respect of Enclosures 13 and 14, the learned Judge has fixed 8 December 2011 to deliver the decision of the appeal. On the same day SYABAS filed the Summons for Directions for the Third Party proceedings and the Court has fixed 30 November 2011 as the hearing date for the same.

On 30 November 2011, the learned Deputy Registrar granted order in terms of SYABAS' Summons for Third Party Directions and further directed the State Government to file the followings within 14 days from the service of SYABAS' Statement of Claim:-

- a) The State Government's Defence to SYABAS' Statement of Claim; and
- b) Application to set aside the Third Party Notice, if necessary.

Pending the above, the case was fixed for case management on 5 January 2012.

On 5 January 2012, the Court has further fixed the next case management on 20 January 2012 pending filing of SYABAS's Reply to the State Government's defence and for ABASS to update the Court on the outcome of the preliminary issue Hearing fixed on 13 January 2012.

On 13 January 2012, SYABAS requested for an adjournment of the Hearing of Enclosure 10 as Syarikat Pengeluar Air Selangor Holdings Berhad ("Splash") is having similar suit against SYABAS which is pending in the Court of Appeal and Federal Court. Since there is a Notice of Motion for clarification of the Court of Appeal order pending to be heard at the Court of Appeal, SYABAS informed that Splash has also filed an application for leave to appeal to the Federal Court against the decision of the Court of Appeal. As such, the parties should wait for the outcome of these applications before proceeding with the Hearing, as the decisions of the Court of Appeal and Federal Court in the Splash suits are directly related to the present suit. The learned Judge adjourned the case to 13 February 2012 for parties to update the Court on the matter.

On 20 January 2012, ABASS informed the Court that the Hearing of Enclosure 10 was adjourned on 13 January 2012 due to a possible recusal of the learned Judge. ABASS had also filed a Notice of Application for Interim Payment for SYABAS to pay to court RM150,000,000 or other sum which is deemed suitable, reasonable and fair by the court.

On 13 February 2012, the Court of Appeal has fixed the Hearing for clarification on 20 February 2012 whilst the Federal Court has fixed a case management on 23 February 2012 for the SPLASH matter.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

The Court has also fixed the next case management on 5 March 2012, pending the decision of the SPLASH matter and for the possible recusal of the learned Judge, on the followings:-

- a) Enclosure 10;
- b) ABASS's Application for Interim Payment; and
- c) Summon in Chambers for State Government's application to strike out the Third (3rd) Party Notice

Part C – Kumpulan Perangsang Selangor Berhad as the Defendant

1. On 3 August 2011, Kumpulan Perangsang Selangor Berhad ("Perangsang Selangor") and Titisan Modal Sdn. Bhd. ("TMSB") was served with an Interim Injunction dated 3 August 2011 from the solicitors acting for Operasi Murni Sdn Bhd ("Operasi Murni").

The Interim Injunction by Operasi Murni is to restrain Perangsang Selangor and TMSB from putting into effect the Ordinary Resolutions passed at the Adjourned Extraordinary General Meeting of TMSB held on 8 July 2011 for the increase in the authorized and paid up capital of TMSB. The Interim Injunction has since automatically lapsed pursuant to the end of the 21 days from the date on which the Interim Injunction was granted.

In a hearing on 24 August 2011, the High Court recorded Perangsang Selangor's undertaking not to sell or dispose, transfer or otherwise encumber the 39,050,000 new ordinary shares of RM1.00 each in of TMSB allotted and issued to Perangsang Selangor on 1.8.2011 and not to rely on the challenged resolutions to facilitate the issuance of any further new shares until the next hearing date unless otherwise extended and recorded with Court, subject to the Plaintiff's cross-undertaking as to damages.

The High Court also recorded TMSB's undertaking not to facilitate the sale, transfer and/or disposal of the 39,050,000 new ordinary shares of RM1.00 each of TMSB allotted and issued to Perangsang Selangor on 1 August 2011 until the next hearing date unless otherwise extended and recorded with the High Court.

The case management was fixed on 8 December 2011 and the trial was fixed on 11 and 12 January 2012. Nevertheless the Plaintiff's counsel had requested for an adjournment of the trial fixed on 11 and 12 January 2012 on the basis that pleadings have not closed and pre-trial directions have not been fully complied with, to enable the trial to proceed on the said dates.

The Judge granted the adjournment sought by the Plaintiff and fixed the trial on 23 and 27 March 2012. The Judge also fixed a further case management on 6 March 2012 to ensure that all the necessary directions for trial are fully complied with then.

Part D - 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 Desa Hilir Sdn Bhd ("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 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 for the appeal.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

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%) percent 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.

The hearing date for MSSB’s appeal has been fixed on 28 February 2012.

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

Based on the Award dated 6 January 2012, the Chairman dismissed the Claimant’s claim as the court finds that the Claimant had resigned voluntarily.

4. CGE Construction Sdn Bhd (“CGE”) has filed an action against SAP Air Hitam Properties Sdn Bhd (“SAPH”) on 20 April 2006 vide Shah Alam Civil Suit No. MT4-22-434-2006 alleging that SAPH 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”).

SAPH 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.

Hearing for the CGE’s appeal against SAPH’s stay order pending arbitration has been fixed on 20 October 2011. However, on 20 October 2011, the court has dismissed the appeal with costs as the Record of Appeal was not in order.

5. 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.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

Subsequently, the Court 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.

SAP filed a notice of appeal against the decision and the hearing for the Summons for Directions was fixed on 29 March 2011 in respect of the Order for Sale of the Gombak Land.

On 23 March 2011, SAP filed an application for Stay of Execution and the hearing date for the said application on 25 March 2011, the court 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 for 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 of SAP's application for Stay of Execution.

On 6 July 2011, the Court allowed SAP's application for Stay of Execution pending appeal.

On 2 August 2011, the court has fixed 13 September 2011 for decision and the parties were required to submit all cause papers and written submission by 6 September 2011. On 25 August 2011, the Gombak Land was forfeited by the Gombak District Land Office. On 13 September 2011, the court further fixed the case management for CTSB's application to set aside the Order for Sale on 30 November 2011. The Court of Appeal has fixed 12 January 2012 for hearing of AMF's appeal against the stay order obtained by SAP. However, the Court of Appeal has adjourned this matter to 26 April 2012 pending hearing of AMF's appeal against the forfeiture notice pursuant to Section 418 of the National Land Code 1965.

6. 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 ("JVA") and the agreements ancillary thereto and seeking damages to be assessed and the purported loss of profits of approximately RM350.0 million. SAP has filed its defense and made a counterclaim of RM399 million against CTSB and indemnification by CTSB against the consequences of CTSB's breach of the term loan facility and/or enforcement by AMF of its right under the charge.

The case was heard on 5 July 2011 and on 4 August 2011, it was held by the Court as follows:

- i) The Court dismissed both the suits filed by CTSB with costs;
- ii) SAP is the legal and beneficial owner of the land by way of declaration granted by the Court;
- iii) The Court granted an injunction to compel CTSB, whether by itself or by its servant or agents or otherwise howsoever to deliver up vacant possession of the land to SAP within fourteen (14) days from the date of the order made;
- iv) The Court granted an injunction to restrain CTSB, whether by itself or by its servants or agents or otherwise howsoever from entering into and/or using the land;
- v) The damages claimed by SAP shall be assessed by the Registrar together with interest to be paid on the assessed amount at 4% per annum from the date of the Summons to the date of Judgement (i.e. 4 August 2011) and at the rate of 8% per annum from the date of the Judgement until date of full settlement;

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

- vi) Costs to be paid by CTSB to SAP as follows:-
 - a) RM40,000.00 for Summons 1;
 - b) RM10,000.00 for Summons 2;
 - c) RM10,000.00 for Injunction in respect of Summons 1; and
 - d) RM10,000.00 for Injunction in respect of Summons 2.
- vii) The Court further granted liberty to SAP to commence action for any damages suffered as a result of the injunction taken by CTSB against SAP.

CTSB filed an appeal to the Court of Appeal on 9 August 2011 against the decision of the High Court dated 4 August 2011. On 12 August 2011, CTSB filed an application for a stay of execution however, the court dismissed CTSB's application.

On 16 August 2011, CTSB filed Summons in Chambers for stay of execution which was fixed for hearing on 25 August 2011. On 25 August 2011, SAP served *Notis Untuk Menghadiri Temujanji* to Court for the assessment of damages pursuant to the Order dated 4 August 2011 and the Court fixed 9 November 2011 for case management. On 26 August 2011, SAP received Borang 8A dated 25 August 2011 from the Gombak District Land Office being a notice of an Order under Section 129 of the National Land Code 1965 to forfeit the land.

On 13 September 2011, CTSB's application for stay of execution was dismissed by court. On 9 November 2011, the Court directed the parties to file and exchange affidavits on the assessment of damages pursuant to the Order dated 4 August 2011 and fixed 29 March 2012 for case management. On 18 January 2012, CTSB filed Notice of Motion to amend their Record of Appeal date 9 August 2011 and extension of time to file the Record of Appeal and Supplemental Record of Appeal dated 16 January 2012 out of time.

- 7. 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.

The case has been fixed for Full Trial on 26 July 2012 and 27 July 2012.

- 8. Star Everest Sdn Bhd ("SESB") filed an action in the Kuala Lumpur High Court Suit No. 22NCVC-1066-11/2011 vide a Writ of Summons and Statement of Claim dated 1 November 2011 against SAP for breach of a "Development Agreement", "Business Alliance Cum Authorisation Agreement", "Forward Entitlement Agreement", "Takeover Liabilities Agreement" and "Power of Attorney" all dated 21 February 2004 ("the Agreements") in relation to the development of a piece of land held under HS(D) 20034, PT No. 26549, Mukim Batu, Daerah Gombak, Negeri Selangor Darul Ehsan measuring approximately 234.187 acres ("the said Land"). SESB are alleging that SAP has wrongfully terminating the Agreements. On 22 December 2011, the court has allowed SAP's application for extension of time for a further period of 2 weeks and directed SAP to file its defense by 5 January 2012. On 6 January 2012, the court directed SESB to file its reply to SAP's defense (if any) by 20 January 2012.

On 14 February 2012, SESB indicated that they are willing to mediate the disputes to allow parties to explore the possibility of an amicable settlement and the court has adjourned this matter to 9 March 2012.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2011**

B10 Dividends

A second interim gross dividend of 4 sen per share less tax amounting RM14,304,713 in respect of the financial year ended 31 December 2011 was declared on 6 January 2012 and was paid on 14 February 2012.

B11 (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.

| | 3 Months Ended 31.12.2011 | 3 Months Ended 31.12.2010 | 12 Months Ended 31.12.2011 | 12 Months Ended 31.12.2010 |
|--|--|--|---|---|
| (a) Basic (loss)/earnings per share | | | | |
| Net (loss)/profit attributable to equity holders of the Company (RM'000) | (32,934) | (5,679) | 45,377 | 49,887 |
| Weighted average number of shares in issue ('000) | 476,824 | 475,824 | 476,824 | 475,824 |
| Basic EPS (sen) | (6.9) | (1.2) | 9.5 | 10.5 |
| (b) Diluted (loss)/earnings per share | | | | |
| Net (loss)/profit attributable to equity holders of the Company (RM'000) | (32,934) | (5,679) | 45,377 | 49,887 |
| Weighted average number of shares in issue ('000) | 476,824 | 475,824 | 476,824 | 475,824 |
| Effects of dilution from exercise of ESOS options ('000) | - | 725 | 296 | 880 |
| Diluted EPS (sen) | (6.9) | (1.2) | 9.5 | 10.5 |

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2011**

B12 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 31.12.2011 | As at 31.12.2010 (Restated) |
|--|-----------------------------|--|
| | RM'000 | RM'000 |
| The retained profits of the Group:- | | |
| - Realised | 77,779 | 126,456 |
| - Unrealised | (35,752) | (38,308) |
| | <u>42,027</u> | <u>88,148</u> |
| Total share of retained profit from associated companies | | |
| - Realised | <u>398,832</u> | <u>321,640</u> |
| Retained earnings as per financial statements | <u>440,859</u> | <u>409,788</u> |

BY ORDER OF THE BOARD

HASHIMAH MD ISA
Company Secretary

Date: 29 February 2012