

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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 2011.

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 2011 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 2012.

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

On 1 January 2012, 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 2012.

FRS 124	Related Party Disclosures (Revised)
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Disclosure – Transfer of Financial Assets
Amendments to FRS 112	Deferred Tax Recovery of Underlying Assets

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

A2.2 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:-

		Effective for financial periods beginning on or after
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 9	Financial Instruments	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associate and Joint Ventures	1 January 2013

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		Effective for financial periods beginning on or after
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9	Financial Instruments	1 January 2015
Malaysian Financial Reporting Standards (“MFRS Framework”)		

A2.3 Malaysian Financial Reporting Standards (“MFRS Framework”)

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 (herein called “Transitioning Entities”)

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

A3 Audit report of preceding annual financial statements

The audited financial statements for the financial year ended 31 December 2011 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.

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.

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A7 Debt and equity securities

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

A8 Dividend paid

There was no dividend paid during the current quarter.

A9 Segmental Information

	3 months ended		6 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Infrastructure and utilities	44,688	50,899	89,434	97,762
Property development and management	25,931	39,100	35,828	85,853
Trading	10,824	9,314	21,614	18,730
Hospitality	7,189	7,258	13,202	13,267
Golf club and recreational facilities	1,803	1,773	3,484	3,560
Investment holding	14,927	11,250	23,869	21,357
Total revenue including inter-segment sales	105,362	119,594	187,431	240,529
Elimination of inter-segment sales	(13,066)	(9,528)	(20,139)	(17,856)
Total	92,296	110,066	167,292	222,673
Segment Results				
Results from continuing operations:				
Infrastructure and utilities *	37,090	44,974	78,370	86,090
Property development and management	6,389	5,030	1,454	(37,573)
Trading	804	1,175	1,754	2,643
Hospitality	(299)	(164)	(1,408)	(1,019)
Golf club and recreational facilities	(819)	(509)	(1,586)	(1,007)
Investment holding	2,557	541	1,283	1,214
Total (loss)/profit	45,722	51,047	79,867	50,348
Eliminations	(11,539)	(7,879)	(17,861)	(16,490)
Profit before tax	34,183	43,168	62,006	33,858

* 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 B7 "Status of Corporate Proposals" and Note B9 "Material Litigation" to the unaudited interim financial statements.

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A11 Changes in the composition of the Group

On 11 June 2012, Perangsang Oil and Gas Sdn Bhd (formerly known as Salam Sekitar Sdn Bhd), a wholly owned subsidiary of Kumpulan Perangsang Selangor Berhad entered into a Subscription and Shareholders' Agreement with NGC Consolidated Holdings Sdn Bhd and NGC Energy Sdn Bhd ("NGC Energy") for the proposed investment in a liquefied petroleum gas business via a 40% equity stake in NGC Energy for a total investment cost of RM40 million.

Except for the above, 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.

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 30 June 2012 is as follows:

	RM'000
Approved but not contracted for	<u>4,024</u>

A13 Contingent liabilities

The contingent liabilities as at 30 June 2012 are as follows:

	RM'000
a) Secured	
i) Guarantees to secure banking and other credit facilities of an associated company	5,860
ii) Legal action taken by a financial institution in respect of a third party charge granted by a subsidiary company on a piece of land which has now been forfeited by the Land Authority, as disclosed under B9 Part D No 3	53,628
b) Unsecured	
i) Performance guarantees to third parties	551
ii) Other claims filed against the Group	<u>1,724</u>
	<u>61,763</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. Further development of the case is disclosed under B9 Part D No 4.

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A14 Employee Share Options Scheme (“ESOS”)

(a) Kumpulan Perangsang Selangor Berhad’s Employee Share Option Scheme (“KPS ESOS”)

The 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 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 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.
- (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 1.1.2012 '000	Granted '000	Terminated '000	Exercised '000	As at 30.06.2012 '000
12 August 2003	29 July 2013	1.62	3,280	-	(140)	-	3,140
23 July 2007	29 July 2013	1.62	718	-	-	-	718
26 July 2007	29 July 2013	1.62	119	-	-	-	119
3 August 2007	29 July 2013	1.98	25	-	-	-	25
17 July 2008	29 July 2013	1.93	250	-	-	-	250
5 May 2009	29 July 2013	1.62	2,058	-	-	-	2,058
23 May 2011	29 July 2013	1.10	200	-	-	-	200
21 September 2011	29 July 2013	1.00	6,024	-	-	(132)	5,892
			<u>12,674</u>	<u>-</u>	<u>(140)</u>	<u>(132)</u>	<u>12,402</u>

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(b) Kumpulan Hartanah Selangor Berhad's Employee Share Option 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 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 30.06.2012 '000
			As at 1.1.2012 '000	Granted '000	Terminated '000	Exercised '000	
28 Dec 2005	27 Dec 2015	1.00	30,939	-	(6,364)	-	24,575
05 Jan 2008	27 Dec 2015	1.00	1,352	-	-	-	1,352
			<u>32,291</u>	<u>-</u>	<u>(6,364)</u>	<u>-</u>	<u>25,927</u>

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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 30 June 2012, the Group registered revenue of RM92.30 million as compared to RM110.07 million in the preceding year corresponding quarter 2011, representing a decrease in revenue of 16% or RM17.77 million. The decrease was mainly due to lower revenue recorded by the property development sector of RM13.17 million and infrastructure and utilities sector of RM6.21 million.

The Group recorded a profit before tax of RM34.18 million for the current quarter as compared to a profit of RM43.17 million in the preceding year corresponding quarter 2011. The decrease was mainly due the infrastructure and utilities sector which recorded a lower profit of RM32.64 million as compared to the preceding year corresponding quarter profit of RM44.97 million. However, the property development sector recorded an increase in profit of RM6.39 million as compared to the preceding year corresponding quarter profit of RM5.03 million.

Performance of the respective operating business segments for the second quarter ended 30 June 2012 as compared to the preceding year corresponding quarter is analysed as follows:-

1. Infrastructure and utilities

The revenue for infrastructure and utilities sector had reduced from RM50.90 million to RM44.69 million for the current quarter due to lower amount recorded for construction revenue due to the prioritisation of asset replacement works to be carried out.

The infrastructure and utilities sector recorded a profit before tax of RM37.09 million as compared to profit before tax of RM44.97 million in the corresponding quarter 2011. A lower profit was recorded by the sector during the current quarter mainly due to the impairment loss on receivables of RM6.05 million as compared to RM0.64 million in the preceding year corresponding quarter.

2. Property development and management

The property development and management sector recorded lower revenue of RM25.93 million as compared to corresponding quarter 2011 of RM39.10 million. The lower revenue was mainly due to lower contribution from sale of industrial land in the current quarter. The sector recorded a profit before tax of RM6.39 million as compared to profit before tax of RM5.03 million in the corresponding quarter 2011.

3. Trading

The trading sector posted a profit before tax of RM0.80 million on the back of total revenue of RM10.82 million. On current quarter against corresponding quarter 2011 comparison, profit before tax was lower by 30% mainly due to lower revenue and profit margins from project coupled with lower share of profit from its associated company.

4. Hospitality

During the current quarter, the hospitality sector recorded revenue of RM7.19 million as compared to corresponding quarter 2011 of RM7.26. The loss before tax for the hospitality sector for the current quarter was RM0.30 million as compared to loss of RM0.16 million in the corresponding quarter 2011.

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5. Golf club and recreational facilities

The golf club and recreational facilities recorded revenue of RM1.80 million as compared to RM1.77 million in the corresponding quarter 2011. The increase in revenue was mainly due to the increased in the membership and food and beverages revenue. The sector recorded a loss of RM0.82 million as compared to loss of RM0.51 million in the corresponding quarter 2011.

6. Investment holding

Investment holding recorded revenue of RM14.93 million as compared to RM11.25 million in the corresponding quarter 2011 and the increase was due to higher dividend income. Profit before tax was RM2.56 million as compared to RM0.54 million in the corresponding quarter 2011.

B2 Comment on material change in profit before tax

The Group recorded a profit before tax of RM34.18 million for the current quarter ended 30 June 2012 as compared to a profit of RM27.82 million in the previous quarter ended 31 March 2012. The decreased in profit was mainly due to the infrastructure and utilities sector which recorded a lower profit of RM37.09 million as compared to a profit of RM41.28 million for the previous quarter due to higher impairment loss on receivables. However, the property sector recorded a profit of RM6.39 million as compared to a loss of RM4.93 million in the previous quarter due to lower other expenses for the current 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.

The Group notes that the Federal Government has indicated that the State Government may proceed to make offers for consolidation of the water services industry in Selangor. If consolidation is successful, the Group may move away from the water utilities sector and seek investments in other sectors to ensure continued sustainability of its business and operations.

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.

On 17 May 2012, the Group entered into a Memorandum of Understanding with SunLohas Group Limited whereby both parties are collaborating to carry-out a legal, financial and commercial due diligence in order to determine the feasibility and viability of the proposed development to be carried out on land measuring approximately 4,976 acres located Bestari Jaya.

The Group has also decided to enter into a Memorandum of Undertaking with Norzakiah Architect ("NZA") on 24 May 2012, for the purpose of appointing NZA as the Lead Town Planning Consultant, in collaboration with the Buchan Group of Australia, to prepare the master plan for the development of Pulau Indah East measuring approximately 1,196 acres into an integrated township.

Phase 1 of the Selangor Halal Hub Pulau Indah measuring 300 acres has been successfully completed and sold by the Group. The infrastructure works for Phase 2 which cover area measuring 400 acres has been completed and pending to be handed over to the relevant authorities.

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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 has attracted market interest affording opportunity for good 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 is currently reviewing its investments in the hospitality sector with a view towards streamlining 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.

B5 Other operating income/(expenses)

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

	3 months ended		6 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Interest income:				
- concession receivables	4,860	5,095	9,666	10,025
- imputed interest income	4,723	5,290	9,446	10,580
- loan and receivables	1,488	1,320	2,616	2,676
- fixed deposit	292	256	594	617
Gain/(loss) on disposal:				
- property, plant and equipment	320	2	469	(13)
- quoted investment securities	-	347	-	347
- investment properties	(32)	-	(32)	-
Gain/(loss) on foreign exchange	(1)	1	8	10
Net fair value loss on financial instruments:				
- Available-for-sale financial assets (transferred from equity on disposal of Investment securities)	(3,240)	-	(3,240)	-
- Recognised in income statement	(56)	-	(56)	-
Reversal of allowance for impairment on:				
- trade receivables	290	1,385	290	1,385
Reversal of:				
- provision no longer required	-	183	-	889
Finance costs	(27,073)	(26,584)	(53,882)	(54,116)
Depreciation of property, plant and equipment	(2,014)	(2,037)	(4,001)	(4,051)
Depreciation of investment properties	(743)	(730)	(1,487)	(1,461)
Amortisation of intangible assets	(684)	(695)	(1,360)	(1,367)
Amortisation of concession rights	(6,977)	(5,063)	(8,372)	(8,372)
Impairment loss on:				
- non-current receivables	-	-	-	(20,750)
- trade receivables	(6,051)	(640)	(12,036)	(640)
- land held for property development	-	-	-	(20,765)
- inventories	-	-	-	(5,071)

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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 30.06.2012 RM'000	6 months ended 30.06.2012 RM'000
Current tax position	3,032	12,761
Deferred tax transfer to balance sheet	(2,332)	(2,736)
Income tax expense	700	10,025
Zakat expense	27	54
Income tax and zakat expense	<u>727</u>	<u>10,079</u>

The effective tax rate for the Group for the current quarter is lower due to the overprovision of tax in the previous quarter.

B7 Status of corporate proposals

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

B8 Borrowings

The Group borrowings as at 30 June 2012 and all denominated in local currency are as follows:

	RM'000
Short term borrowings	
Secured	331,157
Unsecured	14,982
	<u>346,139</u>
Long term borrowings	
Secured	920,665
Unsecured	-
	<u>920,665</u>
Total Borrowings	<u>1,266,804</u>

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.

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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 consisting of the 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 being the compensation for the said acquisition.

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.

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 as compensation for the said acquisition.

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 the Court 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 in respect of the nominal award 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.

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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 for the appeal.

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 for 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 was fixed for Case Management on 7 September 2011 and the inter-partes hearing was fixed on 15 September 2011. On 15 September 2011, SAP obtained an Ad Interim Injunction and 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 Case Management on 6 March 2012 for the parties to complete the affidavits. On 6 March 2012, the Court has fixed the next Case Management on 27 March 2012 for the parties to file their respective written submissions, if any. On 27 March 2012, the Court fixed the Case Management on 17 April 2012.

On 17 April 2012, the Court further fixed the Case Management on 10 May 2012 to enable the Court and parties to reconstruct the file since some documents which were filed earlier are not found available in the Court's file due to change of Court officers. On 10 May 2012, the Court has set the case for hearing on 27 June 2012. On 27 June 2012, the Court decided in SAP's favour and held that the Bill of Costs, which was not addressed to SAP, cannot be effective or valid to support the Section 218 Notice. The Court affirmatively declares that both the Bill of Costs and Section 218 Notice issued by MAC were not in order and/or invalid and/or not binding. The Court further allows SAP's application with cost of RM2,000 to be paid by MAC. On 10 July 2012, MAC filed Notice of Appeal against High Court's decision dated 27 June 2012. The Court of Appeal has yet to fix the hearing date.

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;

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- 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 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 Defense

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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 Defense within 2 weeks upon the service of the sealed Amended Defense 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 defense 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.

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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.

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

On 5 March 2012, the Learned Judge informed that he will recuse himself for potential conflict of interest. The Deputy Registrar will inform in due course on the new Judge for the matter.

On 16 March 2012, ABASS's solicitors informed the Learned Judge that the matter was initially fixed before 2 Judges but both the judges' have recused themselves on the possibility of conflict of interest. The Learned Judge informed parties that his Lordship also has heard a civil matter to which SYABAS was a party. The solicitors took note of this and informed the Learned Judge that they would seek instructions from their clients on the same.

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The Learned Judge was informed that there are 3 pending applications before the Court and the applications would be dealt with in the following sequence:

- a) Third Party's application to set aside third party notice – Enclosure 77;
- b) Plaintiff's application for trial of preliminary issue – Enclosure 10; and
- c) Plaintiff's application for interim payment – Enclosure 76.

The Court fixed the next case management on 20 April 2012 for parties to revert with respective clients' instructions on the possible recusal of the Learned Judge and for counsel to address the Court on the matter.

On 20 April 2012, ABASS's solicitors informed the Learned Judge that the written submission for Enclosure 10 has been filed and served, and is now pending for a hearing date to be fixed. As for Enclosure 76, ABASS's solicitors only managed to extract notice on the 18 April 2012 and as such, SYABAS would require time to reply the affidavit.

The Court has fixed the hearing of Enclosure 77 on 28 June 2012. The court has also fixed for the hearing of Enclosure 10 and mention for Enclosure 76 on 10 August 2012.

On 28 June 2012, ABASS's solicitors has attended the hearing before the Justice Lee Swee Seng at Kuala Lumpur High Court in relation to Enclosure 77. In the middle of submission by the parties, the Court was informed by SYABAS's solicitors that he had to attend to a matter at the Court of Appeal. As such, the Court has fixed 3 July 2012 for continued hearing.

During the continued hearing on 3 July 2012, the Learned Judge had made queries on ABASS's stand. ABASS's solicitors informed the Court that pursuant to Section 4.04 of the Novation Agreement, the cause of action by ABASS was against SYABAS. ABASS's solicitors further noted that SYABAS is able to make proportionate payment but this is without prejudice to ABASS's rights to claim for full payment as well as to execute the judgement sum, in the event that the Court decides in favour of ABASS. The Learned Judge has fixed the decision of this application on 31 July 2012.

On 31 July 2012, the Learned Judge had allowed Selangor State Government's application to strike out the Third Party Notice and the Statement of Claim filed by SYABAS. Hence, the Court has decided to set aside the Third Party Notice and has struck out the Statement of Claims by SYABAS against the Selangor State Government (Enclosure 77). The Learned Judge has then fixed 10 August 2012 for the hearing of Enclosure 10.

During the hearing session on 10 August 2012, ABASS's solicitors proceeded with its submission for the Application followed by a submission by SYABAS's solicitors objecting to the Application. SYABAS's solicitors requested for a further hearing date to address the Court after receipt of the Court of Appeal's written judgement for the SPLASH matter.

The Court has fixed 23 August 2012 for the continued hearing of Enclosure 10 and 3 September 2012 for decision on Enclosure 10 and mention for Enclosure 76.

On 23 August 2012, ABASS's solicitors has attended the continued hearing of ABASS's application for Trial of Preliminary Issue at KL High Court.

The Court has then fixed 3 September 2012 for the decision.

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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. During the trial, the Court was informed by solicitors acting for two of the shareholders of Operasi Murni that an Interim Receivership Order has been made against Operasi Murni in the morning of 27 March 2012 in the High Court vide Kuala Lumpur High Court Originating Petition at the instance of those two shareholders. As a consequence, Operasi Murni’s solicitors had sought an adjournment of the trial from the Court to clarify the status of their retainer with Operasi Murni. The Company’s solicitors and the Titisan’s solicitors pointed out to the Court on 27 March 2012 that the undertakings given by the Company and Titisan announced previously on 24 August 2011 are, for the avoidance of doubt, not renewed. The Court then adjourned the matter for case management on 16 April 2012.

On 16 April 2012, the Court ruled that the undertakings previously given by the Company and Titisan on 24 August 2011 is to be extended until the full disposal of the suit with liberty to apply for the matter concerning the undertakings to be separately adjudicated. The Court then duly fixed the above matter for continued trial on 23 May 2012.

On 24 May 2012, when the matter went for continued trial, Operasi Murni had requested the Court to adjourn the matter to another date whereby the High Court refused the adjournment and dismissed Operasi Murni’s action. Operasi Murni has been ordered costs of RM40,000 each to Perangsang Selangor and TMSB as well as an assessment of damages suffered by Perangsang Selangor consequent upon the undertaking that was given on 24 August 2011. The Court further ordered that Perangsang Selangor and TMSB be released from the undertakings.

As at 23 June 2012, there was no appeal filed by Operasi Murni against the Court’s decision and pursuant thereto, the case was deemed closed.

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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 dismissed the case against PKPS and SAP with costs and allowed the case against DHSB. UDSB filed an appeal to the Court of Appeal against the High Court’s decision.

The Court of Appeal has fixed 20 April 2012 for Case Management. On 20 April 2012, the Court of Appeal has directed UDSB to file their Appeal Record by 31 May 2012 and the case is fixed for hearing on 14 August 2012. On 14 August 2012, the Registrar of the Court of Appeal has vacated the hearing scheduled on the said date and fixed the new date for hearing on 25 October 2012.

2. 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 the 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 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.

3. 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.

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.

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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 29 March 2011, the Court directed 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 consequently, the Court extended the date to 15 June 2011 for both parties to file their submissions.

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 15 June 2011, both parties filed their submissions in respect of CTSB's application. 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. On 26 April 2012, the Court of Appeal has further adjourned the hearing to 6 June 2012 pending decision of AMF's appeal against the forfeiture of the Gombak Land. On 6 June 2012, the Court of appeal postponed the hearing to 19 June 2012 and subsequently, this matter was postponed to 26 July 2012. On 26 July 2012, the Court further postponed the hearing to 4 September 2012.

4. Cergas Tegas Sdn Bhd ("CTSB") filed an action vide Kuala Lumpur High Court No. S2-22-185-2004 ("Suit 1") against SAP Holdings Berhad ("SAP") alleging unlawful termination by SAP of the Joint Venture Agreement ("JVA") dated 12 January 1991 and the agreements ancillary thereto in respect of a piece of land held under HS(D) 20034 PT No. 26549, Mukim Batu, Daerah Gombak. CTSB is seeking damages to be assessed and the purported loss of profits of approximately RM350 million. SAP filed its defence 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.

CTSB filed another action vide Kuala Lumpur High Court Suit No. S6-22-280-2006 against SAP and Star Everest Sdn Bhd ("SESB") restraining SAP and SESB from entering or dealing with the land in view that Suit 1 was still ongoing at that material time. Both cases were subsequently consolidated by the Court.

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;

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- 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;
- 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. CTSB also filed a second appeal on 16 August 2011 to crystallize and reflect the true decision of the Court following the clarification by the Judge. On 19 August 2011, SAP through its solicitors demanded CTSB to deliver vacant possession of the Gombak Land within fourteen (14) days from the date of the notice pursuant to the order dated 4 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. SAP filed its claimed for damages to be assessed by the Court on 28 December 2011. 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. The hearing for CTSB's application has been fixed on 13 April 2012.

On 23 February 2012, SAP has been informed by the solicitors via its letter dated 22 February 2012 that CTSB has been wound up pursuant to a Court Order taken by AmFinance Berhad on 20 January 2012.

On 29 March 2012, upon notification of the winding up order made against CTSB, the Court fixed the next case management on 5 September 2012 pending application by SAP to the winding up Court for leave to continue with the proceedings for the assessment of damages as required under Section 226(3) of the Companies Act 1965. The hearing for SAP's application for leave was fixed on 24 April 2012.

On 13 April 2012, the Court has fixed 23 May 2012 for a joint hearing in respect of CTSB's motion for amendment of the Notice of Appeal dated 9 August 2011 and extension of time to file Record of Appeal and the appeal filed by CTSB on 16 August 2011 which was fixed for disposal.

On 24 April 2012, the Court set 24 May 2012 for hearing in respect of SAP's application for leave to continue with the proceedings for the assessment of damages to enable AmFinance Berhad and liquidator for CTSB to file their affidavits. The Court further directed SAP to file its affidavit in reply, if any, before 24 May 2012.

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On 23 May 2012, the Court has set 17 July 2012 for Hearing of CTSB's motion for amendment of the Notice of Appeal and extension of time to file Record of Appeal. In respect of SAP's application for leave to continue with the proceedings for the assessment of damages, the Court has allowed SAP's application on 24 May 2012 with costs of RM1,500.00 to be paid by the liquidators from CTSB's assets to SAP. On 17 July 2012, the Court allowed CTSB's application to amend Notice of Appeal dated 9 August 2011 and extension of time to file Record of Appeal dated 11 October 2011 and Additional Record of Appeal dated 16 January 2012 with costs of RM5,000.00 to be borne by CTSB in order to hear the appeal proper on merit. However, the appeal was partly heard and the Court has adjourned the Hearing for further submissions by SAP's solicitors on 5 October 2012.

5. 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.

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. However, the Court has vacated the said Trial dates as there are other priority matters prior to 2007 to be disposed by the Court. On 18 July 2012, the Court has fixed this matter for Mention on 7 December 2012 and Trial from 7 January 2013 until 11 January 2013.

6. 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 Holdings Berhad ("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 9 March 2012, the Court directed the parties to file the Agreed Issues to be Tried, Agreed Facts, Common Bundle of Documents, List of Witnesses and Summary of Case before 2 April 2012. On 2 April 2012, the Court directed both parties to file the aforementioned documents before the next case management on 24 April 2012. On 24 April 2012, the Court has fixed 18 May 2012 for hearing in respect of SAP's application to amend its Statement of Defense and further directed the parties to comply with the Case Management's direction by 18 May 2012.

On 18 May 2012, the Court has given the following directions:

- (a) the application to amend the Statement of Defense is allowed with costs to SESB in the sum of RM500.00;
- (b) the parties to file Agreed Issues to be Tried, List of Witnesses and Summary of Case; and
- (c) the Court has fixed this matter for further case management on 15 June 2012.

On 15 June 2012, the Court has given the following directions:

- (a) this matter is fixed for Trial on 3 September 2012 and 4 September 2012;
- (b) parties to file List of Witnesses, Witness Statements and List of Exhibits by 20 July 2012;
- (c) final Case Management is fixed on 24 July 2012.

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On 24 July 2012, in view that the parties are still in the process of finalizing the Common Bundle of Documents, the Court has given the following directions:

- (a) the Common Bundle of Documents to be filed by 7 August 2012;
- (b) the List of Witness, Witness Statements and List of Exhibits to be filed by 28 August 2012;
- (c) the Trial dates on 3 September 2012 and 4 September 2012 are vacated; and
- (d) the new Trial dates are fixed on 2 October 2012 and 3 October 2012.

7. Brisdale Holdings Sdn Bhd (In Liquidation) ("BHSB") filed an action in the Shah Alam High Court Civil Suit No. 22NCVC-540-04-2012 vide a Writ of Summons and Statement of Claim dated 24 April 2012 against Kumpulan Hartanah Selangor Berhad ("KHSB") claiming that the Master Debt Settlement Agreement ("MDSA") dated 30 April 2007 between BHB and KHSB together with nine (9) Power of Attorneys, all dated 30 April 2007, given by BHSB to KHSB pursuant to the MDSA are void *ab initio*, not valid and binding. The MDSA was executed in respect of a debt due and owing by BHSB to KHSB in which the parties agreed to settle the outstanding by way of settlement in kind through the conveyance and transfer of parcels of land as stipulated in the MDSA.

When BHSB went into liquidation on 25 September 2008, the liquidator claimed that BHSB is the registered proprietor of the parcels of land stipulated in the MDSA and requested KHSB to deliver the original titles of the said land to BHSB. In contention to BHSB's claim stipulated below, KHSB is taking the stand that the beneficial interest of the said land was transferred to KHSB pursuant to the MDSA and the said Power of Attorneys.

The Court has fixed the matter for Case Management on 17 May 2012. On 17 May 2012, the Court has given the following directions:

- (a) KHSB to file defense by 11 June 2012;
- (b) BHSB to file reply, if any, by 25 June 2012; and
- (c) this matter is fixed for case management on 27 June 2012.

On 27 June 2012, the Court directed parties to file Common Bundle of Documents, Agreed Facts and Issues and List of Witnesses by 19 July 2012 and Case Management was fixed on 19 July 2012. On 19 July 2012, the Court has fixed the Trial date for this matter on 8 November 2012.

8. Sa'odah Bt Abdul Rahman ("Plaintiff") filed an action in the Shah Alam High Court Civil Suit No. 22NCVC-965-07/2012 vide a Writ of Summons and Statement of Claim dated 30 July 2012 against SAP Ulu Yam Sdn Bhd ("SAPUY") pursuant to a Sale and Purchase Agreement dated 24 May 1996 entered between the Plaintiff and SAPUY in respect of a piece of land held under HS(D) 16333 PT 135, Mukim Ulu Yam, Daerah Ulu Selangor, Selangor Darul Ehsan ("Said Land"). The Plaintiff is alleging that the land slide occurred on 30 November 2008 in the vicinity had caused damage to the access road leading to the Said Land. The Plaintiff is claiming for specific performance, special damages amounting to RM1,000,000.00 for the "loss of enjoyment" of the Said Land and other general damages to be assessed by the Court.

The Court has fixed the next Case Management on 18 September 2012.

B10 Dividends

A final gross dividend of 2 sen less 25% tax per ordinary share amounting to RM7,154,335 in respect of the year ended 31 December 2011 which was approved by the shareholders at the Annual General Meeting of the Company held on 20 June 2012 was paid on 9 August 2012.

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B11 Earnings per share**(a) Basic earnings per share**

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

(b) Diluted earnings per share

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

	3 Months Ended 30.6.2012	3 Months Ended 30.6.2011	6 Months Ended 30.6.2012	6 Months Ended 30.6.2011
<i>(a) Basic earnings per share</i>				
Net profit attributable to equity holders of the Company (RM'000)	29,402	32,332	49,156	21,914
Weighted average number of shares in issue ('000)	476,956	476,824	476,923	476,824
Basic EPS (sen)	6.2	6.8	10.3	4.6
<i>(b) Diluted earnings per share</i>				
Net profit attributable to equity holders of the Company (RM'000)	29,402	32,332	49,156	21,914
Weighted average number of shares in issue ('000)	476,956	476,824	476,923	476,824
Effects of dilution from exercise of ESOS options ('000)	262	535	833	535
Diluted EPS (sen)	6.2	6.8	10.3	4.6

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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 30.06.2012 RM'000	As at 31.12.2011 RM'000
The retained profits of the Group:-		
- Realised	77,793	98,267
- Unrealised	(38,132)	(38,524)
	<u>39,661</u>	<u>59,743</u>
 Total share of retained profit from associated companies		
- Realised	<u>409,062</u>	<u>361,283</u>
 Retained earnings as per financial statements	<u>448,723</u>	<u>421,026</u>

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

Date: 30 August 2012