

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

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 2012.

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 2012 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 2013.

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

On 1 January 2013, 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 2013.

Amendments to FRS 1	First Government loans
Amendments to FRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities
FRS 3	Business Combinations
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associate and Joint Ventures
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
Amendments to FRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11	Joint Arrangements: Transition Guidance
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
Amendments to FRS 116	Property, Plant and Equipment (Improvements to FRSs (2012))
Amendments to FRS 134	Interim Financial Reporting (Improvements to FRSs (2012))

The adoption of the above standards and interpretations did not have any impact on the financial statements of the Group, except for the following:-

- (i) Amendments to FRS 101 *Presentation of Items of Other Comprehensive Income*

The amendments to FRS 101 *Presentation of Items of Other Comprehensive Income* change the grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net losses or gains on AFS financial assets) would be

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presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans).

The adoption of this amendment affects presentation only and has no financial impact on the Group's financial statements.

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 10	Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to FRS 12	Disclosure of Interests in Other Entities: Investment Entities	1 January 2014
Amendments to FRS 127	Consolidated and Separate Financial Statements: Investment Entities	
Amendments to FRS 132	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 2014.

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 2014. 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.

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 2014.

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A3 Audit report of preceding annual financial statements

The audited financial statements for the financial year ended 31 December 2012 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.

A7 Debt and equity securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt securities during the current quarter:-

- i) 9,247,396 new ordinary shares of RM1.00 each were issued at RM1.00 per share arising from the exercise of share options granted under the Company's Employee Share Option Scheme.

A8 Dividend paid

An interim gross dividend of 2 sen per share less tax per ordinary share amounting RM7,216,876 in respect of the year ending 31 December 2013 was paid on 19 June 2013.

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A9 Segmental Information

	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
<u>Continuing Operations:</u>				
Infrastructure and utilities	51,737	44,688	92,512	89,434
Trading	13,549	10,824	24,692	21,614
Hospitality	7,165	7,189	13,435	13,202
Golf club and recreational facilities	1,590	1,803	3,407	3,484
Investment holding	11,995	14,927	19,857	23,869
Total revenue including inter-segment sales	86,036	79,431	153,903	151,603
Elimination of inter-segment sales	(9,942)	(13,066)	(15,884)	(20,139)
Total Continuing Operations	76,094	66,365	138,019	131,464
<u>Discontinued Operation:</u>				
Property development and management	10,145	25,931	12,003	35,828
Total Revenue	86,239	92,296	150,002	167,292
Segment Results				
<u>Continuing Operations:</u>				
Infrastructure and utilities *	42,521	37,090	75,507	78,370
Trading	1,371	804	2,377	1,754
Hospitality	(427)	(299)	(1,696)	(1,408)
Golf club and recreational facilities	(939)	(819)	(1,406)	(1,586)
Oil and gas	550	-	(526)	-
Telecommunication	(207)	-	(281)	-
Investment holding	1,645	2,557	(903)	1,283
Total profit	44,514	39,333	73,072	78,413
Eliminations	(8,645)	(11,539)	(13,290)	(17,861)
Profit before tax, from continuing Operations	35,869	27,794	59,782	60,552
<u>Discontinued Operation:</u>				
Property development and management	(4,215)	6,389	488	1,455
Total Profit before Tax	31,654	34,183	60,270	62,006

* 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

Save as disclosed below, 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:

(i) Discontinued Operation and Asset Held For Sale

On 14 February 2013, the Company received an offer from its holding company, KDEB to purchase 254,562,576 ordinary shares of RM1.00 each in Kumpulan Hartanah Selangor Berhad (“KHSB”) (“Share Sales”), which represents 56.57% equity interest therein from the Company for a cash consideration of RM193,467,557.76 or RM0.76 per share. On 28 February 2013, the Company has accepted the Offer and subsequently on 29 April 2013, the Company and KDEB executed the Share Purchase Agreement (“SPA”).

On 28 June 2013, the consideration had been revised from RM193,467,557.76 or RM0.76 per share to RM212,814,313.54 or RM0.836 per share after taking into account the valuation of the material properties of KHSB Group and in accordance with the terms and conditions of the SPA.

As at 30 June 2013, the assets and liabilities related to the KHSB and its subsidiaries (“KHSB Group”) have been presented in the statement of financial position as “Assets classified as held for sale” and “Liabilities classified as held for sale”. The results of KHSB Group which represent the property development and management sector have been disclosed as discontinued operation and the comparative statement of comprehensive income has been restated to show the discontinued operation separately from continuing operations.

	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	10,145	25,931	12,003	35,828
Cost of sales	(6,628)	(12,531)	(8,313)	(20,027)
Gross profit	3,517	13,400	3,690	15,801
Other income	1,609	2,254	14,364	3,464
Expenses	(7,014)	(6,328)	(12,757)	(11,752)
Finance costs	(2,327)	(2,937)	(4,809)	(6,058)
(Loss)/Profit before tax	(4,215)	6,389	488	1,455
Tax expense	56	(1,440)	69	(1,774)
(Loss)/Profit for the period from discontinued operation	(4,159)	4,949	557	(319)

Cash flow from/(used in) discontinued operation

Net cash flow generated from operating activities	28,602	19,722
Net cash flow used in investing activities	(550)	(36)
Net cash flow used in financing activities	(15,000)	(15,000)
Net cash flow from discontinued operation	13,052	4,686

Earnings/(loss) attributable to owners of the parent (sen per share):

Basic, from discontinued operation	(0.4)	0.8	(0.1)	(0.2)
Diluted, from discontinued operation	(0.4)	0.8	(0.1)	(0.2)

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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 2013 is as follows:

	RM'000
Approved but not contracted for	<u>5,370</u>

A13 Contingent liabilities

The contingent liabilities as at 30 June 2013 are as follows:

	RM'000
a) Secured	
i) Guarantees to secure banking and other credit facilities of associated companies	97,747
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 C, No. 3 (principal loan sum of RM17,000,000.00 and interest of RM37,910,274.02)	56,312
b) Unsecured	
i) Performance guarantees to third parties	573
ii) Other claims filed against the Group	178
Total	<u>154,810</u>
iii) Cergas Tegas Sdn Bhd against SAP Holdings Berhad vide Kuala Lumpur High Court No.S2-22-185-2004 and S6-22-280-2006	
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) above. Further development of the case is disclosed under Section B9, Part C, No. 4.	350,000

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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.

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

Grant date	Expiry date	Exercise price	<-----Number of share options ----->				As at 30.06.2013
			As at 1.1.2013	Granted	Terminated	Exercised	
		RM	'000	'000	'000	'000	'000
12 August 2003	29 July 2013	1.62	3,140	-	-	-	3,140
23 July 2007	29 July 2013	1.62	718	-	-	-	718
26 July 2007	29 July 2013	1.62	119	-	-	-	119
03 August 2007	29 July 2013	1.98	25	-	-	-	25
17 July 2008	29 July 2013	1.93	250	-	-	-	250
05 May 2009	29 July 2013	1.62	1,784	-	(75)	-	1,709
23 May 2011	29 July 2013	1.10	200	-	-	(200)	-
21 September 2011	29 July 2013	1.00	5,892	-	-	(4,293)	1,599
17 October 2012	29 July 2013	1.00	3,087	-	-	(1,340)	1,747
02 January 2013	29 July 2013	1.00	-	9,907	(175)	(8,465)	1,267
18 February 2013	29 July 2013	1.00	-	8	-	-	8
01 April 2013	29 July 2013	1.00	-	239	-	(139)	100
02 May 2013	29 July 2013	1.13	-	31	-	-	31
07 May 2013	29 July 2013	1.11	-	11	-	-	11
20 May 2013	29 July 2013	1.20	-	39	-	-	39
23 May 2013	29 July 2013	1.24	-	11	-	-	11
03 June 2013	29 July 2013	1.24	-	80	-	-	80
12 June 2013	29 July 2013	1.28	-	10	-	-	10
			15,215	10,336	(250)	(14,437)	10,864

During the current quarter, the Company granted a total of 420,611 units of share options to the eligible employees under the KPS ESOS at the various exercise price as disclosed in the above table. Pursuant to FRS 2: Share Based Payments, an amount of RM10,864 was charged to the income statement during the current quarter. A total of 14,436,920 units of share options were exercised by the eligible employees during the current quarter.

(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.

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- (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 30.06.2013 '000
			As at 01.01.2013 '000	Granted '000	Terminated '000	Exercised '000	
28 Dec 2005	27 Dec 2015	1.00	24,199	-	(11,158)	-	13,041
05 Jan 2008	27 Dec 2015	1.00	1,225	-	(1,100)	-	125
			<u>25,424</u>	<u>-</u>	<u>(12,258)</u>	<u>-</u>	<u>13,166</u>

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

- a) Current quarter against previous year corresponding quarter

Continuing Operations

For the current quarter ended 30 June 2013, the Group registered revenue of RM76.09 million as compared to RM66.36 million in the preceding year corresponding quarter 2012, representing an increase in revenue of 15% or RM9.73 million. The increase was due to higher revenue recorded by the infrastructure and utilities sector by RM7.05 million and trading sector by RM2.73 million.

The Group recorded a profit before tax of RM35.87 million for the current quarter as compared to profit of RM27.79 million in the preceding year corresponding quarter 2012. The higher profit was attributable to the infrastructure and utilities sector which recorded a higher profit of RM42.52 million as compared to the preceding year corresponding quarter profit of RM37.09 million. The trading sector also recorded higher profit by RM0.57 million.

Performance of the respective operating business segments for the second quarter ended 30 June 2013 as compared to the preceding year corresponding quarter is analysed as follows:-

1. Infrastructure and utilities

The revenue for infrastructure and utilities sector had increased by RM7.05 million from RM44.69 million to RM51.74 million for the current quarter mainly due to with higher volume sale of treated water during the current quarter of 145.53 MGD as compared to 142.86 MGD in the corresponding previous quarter.

The infrastructure and utilities sector recorded a profit before tax of RM42.52 million as compared

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to profit before tax of RM37.09 million in the corresponding quarter 2012 with a positive variance of RM5.43 million. The higher profit recorded by the sector during the current quarter was mainly due to the lower impairment loss on receivables of RM1.275 million as compared to RM6.051 million in the preceding year corresponding quarter coupled with higher contribution from associated companies by RM3.205 million.

2. Trading

The trading sector posted a profit before tax of RM1.37 million on the back of total revenue of RM13.549 million. On current quarter against corresponding quarter 2012 comparison, profit before tax was higher by 71% or RM0.57 million mainly due to higher revenue and profit margins from sales of chemicals coupled with higher share of profit from its associated company.

3. Hospitality

Hospitality revenue was RM7.16 million in the current quarter as compared to corresponding quarter 2012 of RM7.19 million. For current quarter, the sector recorded a higher loss of RM0.43 million as compared to loss of RM0.30 million in the corresponding quarter 2012. The higher loss was mainly due to higher rental expenses.

4. Golf club and recreational facilities

The golf club and recreational facilities recorded a lower revenue of RM1.59 million in the current quarter as compared to RM1.80 million in the corresponding quarter 2012. Lower revenue in the current quarter was mainly due to the lower income from food and beverages and golf and sports centre. The sector recorded a loss of RM0.94 million as compared to loss of RM0.82 million in the corresponding quarter 2012.

5. Oil and gas

With the completion of the acquisition of Shell Malaysia Trading Sdn Bhd liquefied petroleum gas business by NGC Energy Sdn Bhd ("NGC Energy"), a 40% associated company of the Company, NGC Energy has commenced its operations on 8 November 2012. The Group's share of profit in NGC Energy for the current quarter was RM0.55 million.

6. Telecommunication

The company has a 40% interest in Ceres Telecom Sdn Bhd ("Ceres Telecom") and the principal activity of Ceres Telecom is to provide wireless and mobile telecommunications services to end users. The company has yet to commence operations. The Group's share of losses for the current quarter was RM0.21 million and mainly comprised of pre-operating expenses.

7. Investment holding

Investment holding recorded revenue of RM11.99 million as compared to RM14.93 million in the corresponding quarter 2012 due to lower dividend income. The sector recorded lower profit before tax of RM1.65 million as compared to profit of RM2.56 million in the corresponding quarter 2012.

Discontinued Operation

1. Property development and management

For the current quarter under review, the property development and management sector reported lower revenue of RM10.15 million as compared to RM25.93 million in the corresponding quarter 2012. This was mainly due to lower revenue recognition from property development.

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The sector recorded loss before tax of RM4.21 million for the current quarter as compared to profit before tax of RM6.39 million in the corresponding quarter 2012, a decrease of RM10.60 million mainly due to lower revenue contribution and gross profit margin from property development projects and land deals.

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

For the six months ended 30 June 2013, the Group registered revenue of RM138.02 million as compared to RM131.46 million in the corresponding period 2012, representing an increase in revenue of RM6.56 million or 5%. The increase was mainly due to higher revenue from infrastructure and utilities sector by RM3.08 million and from trading sector by RM3.08 million.

The Group recorded a lower profit before tax of RM59.78 million as compared to profit of RM60.55 million in the corresponding period 2012, representing a decrease of RM0.77 million.

1. Infrastructure and utilities

The revenue for infrastructure and utilities sector increased from RM89.43 million to RM92.51 million for the current period as a result of higher recognition of construction revenue in accordance with IC 12 by Konsortium Abass Sdn Bhd.

The infrastructure and utilities sector recorded a profit before tax of RM75.51 million as compared to profit before tax of RM78.37 million in previous year. The lower profit was mainly due change in discount rate used for IC 12 related expenses for the current period.

2. Trading

For the period ended 30 June 2013, trading sector posted a profit before tax of RM2.38 million on the back of total revenue of RM24.69 million. The current period revenue and profit before tax were higher by RM3.08 million and RM0.62 million respectively due to the higher revenue and profit margin from sale of chemical products.

3. Hospitality

The hospitality sector recorded revenue of RM13.43 million as compared to RM13.20 million in the corresponding period 2012. The loss before tax for hospitality sector was RM1.70 million as compared to loss of RM1.41 million in the corresponding period 2012 due to higher rental expenses during the current period.

4. Golf club and recreational facilities

The golf club and recreational facilities recorded revenue of RM3.41 million as compared to RM3.48 million in the corresponding period 2012. The golf club and recreational facilities loss before tax was RM1.41 million as compared to RM1.59 million for the corresponding period 2012.

5. Investment holding

The investment holding sector recorded revenue of RM19.86 million as compared to RM13.89 million, mainly due to higher dividend income. The loss before tax for the current period was RM0.90 million as compared to profit before tax of RM1.28 million in the corresponding period 2012.

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Discontinued Operation

1. Property development and management

The property development and management sector recorded lower revenue of RM12.03 million as compared to corresponding period 2012 of RM35.83 million with a negative variance of RM23.80 million. The negative variance was due to lower contribution from the property development projects and lower revenue from sale of land. The property development and management sector recorded a lower profit of RM0.49 million as compared to profit of RM1.45 million in the corresponding period 2012. Compensation received from local authority of RM11.26 million in regards to acquisition of certain lands has softened the impact of lower revenue recognition from both property development projects and land deals.

B2 Comment on material change in profit before tax

The Group recorded a profit before tax from continuing operations of RM35.89 million for the current quarter ended 30 June 2013 as compared to a profit of RM23.91 million in the previous quarter ended 31 March 2013. The increase in profit was due to the infrastructure and utilities sector which recorded higher profit of RM42.52 million as compared to previous quarter of RM32.99 million. The oil and gas sector also recorded a profit of RM0.55 million as compared to loss of RM1.08 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.

The Selangor State Government through Kumpulan Darul Ehsan Berhad ("KDEB") had on 20 February 2013, made offers to the owners of all water concessionaires for the purchase of their shares with the objective to consolidate the water services industry in Selangor. However, the KDEB offers were deemed lapsed on 6 March 2013 as the shareholders of Puncak Niaga Sdn Bhd and Syarikat Bekalan Air Selangor Sdn Bhd was unable to reach a final decision to consider giving approval in principle or to give acceptance in principle to KDEB in respect of the indicative terms and conditions as set out in KDEB's letter dated 20 February 2013.

Recently, there have been positive indications of the progress of the negotiations for the restructuring of the Selangor Water Consolidation between Federal and State Government. If the restructuring 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

On 29 April 2013, the Company had entered into a Share Purchase Agreement ("SPA") with its holding company, KDEB for the disposal of 254,562,576 ordinary shares of RM1.00 each in Kumpulan Hartanah Selangor Berhad ("KHSB") ("Sale Shares") (which represents 56.57% equity interest therein) to KDEB for a cash consideration of RM193,467,557.76 or RM0.76 per share ("Proposed Disposal").

On 28 June 2013, the consideration of the Sale Shares has been revised from RM193,467,557.76 or RM0.76 per share to RM212,814,313.54 or RM0.836 per share after taking into account the valuation of the material properties of KHSB Group and in accordance with the terms and conditions of the SPA.

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The Proposed Disposal provides an opportunity for the Company to monetise its investment in KHSB and the subsequent utilisation of proceeds whilst recording a gain from disposal. Upon completion of the Proposed Disposal, KHSB will cease to be a subsidiary of the Company and will not contribute to the future financial results of the Group. The Proposed Disposal will be tabled to the Extraordinary General Meeting of the Company scheduled on 18 September 2013. If approved, the Proposed Disposal is expected to complete by early October 2013.

3. Hospitality

For the hospitality 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.

4. Golf club and recreational activities

For the golf club and recreational activities sector, Cash Band (M) Berhad, a 99.98% owned subsidiary of the Company, had on 6 February 2013 entered into Development Agreement with Rockbay Streams Sdn Bhd, a 100% owned subsidiary of SP Setia Berhad, for a mixed development project comprising residential and commercial properties ("Project"). The Project is expected to contribute positively to the future earnings of the Group.

5. Oil and gas

In 2012, the Group made its first foray into the oil and gas sector via its investment in a 40% equity stake in NGC Energy, which had successfully bid for the liquefied petroleum gas ("LPG") business of Shell Malaysia Trading Sdn Bhd ("Shell") in West Malaysia. With the acquisition of the Shell LPG business completed in the fourth quarter of 2012, the oil and gas sector is expected to contribute positively to the results of the Group in the future.

6. Telecommunication

The Group has successfully subscribed to the shares equivalent to 30% equity stake in Ceres Telecom under the First Cash Call of Phase I in December 2012. Ceres Telecom has successfully completed its first telephone call in April 2013 and the commercial launch is expected in 3rd Quarter 2013. Barring unforeseen circumstances, the Group expects the telecommunication sector to contribute positively to the results of the Group in the future.

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	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Interest income:				
- concession receivables	1,588	4,860	5,928	9,666
- imputed interest income	4,094	4,723	8,188	9,446
- loan and receivables	786	1,488	1,572	2,616
- fixed deposit	388	292	809	594
Gain/(loss) on disposal:				
- property, plant and equipment	67	320	67	469
Gain/(loss) on foreign exchange	17	(1)	34	8
Reversal of allowance for impairment on:				

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- inventories	5	-	5	-
- trade receivables	-	290	-	290
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)
Finance costs	(31,709)	((27,073)	(59,097)	(53,882)
Depreciation of property, plant and equipment	(2,554)	(2,721)	(5,230)	(5,416)
Depreciation of investment properties	(26)	(36)	(51)	(72)
Amortisation of intangible assets	(677)	(684)	(1,308)	(1,360)
Amortisation of concession rights	(4,186)	(6,977)	(8,372)	(8,372)
Impairment loss on trade receivables	(4,206)	(8,278)	(12,751)	(16,029)

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		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations:				
Current tax position	10,801	1,045	14,645	10,428
Deferred tax transfer to balance sheet	(1,172)	(1,785)	(2,345)	(2,176)
Income tax expense	9,629	(740)	12,300	8,252
Zakat expense	(9)	27	(3)	54
Income tax and zakat expense	9,620	(713)	12,297	8,306
Discontinued operation:				
Income tax expense	13	1,986	13	2,334
Deferred tax	(69)	(546)	(82)	(560)
	(56)	1,440	(69)	1,774
Total income tax and zakat expense	9,564	727	12,228	10,080

The effective tax rate for the Group for the current quarter is higher due to certain expenses which are non deductible in certain subsidiary companies of the Group.

B7 Status of corporate proposals

Save as disclosed below, there is no other corporate proposals announced but not completed as at the date of this report:

- (i) Proposed investment in a mobile virtual network operator business via a thirty per cent (30%) equity stake in Ceres Telecom Sdn Bhd by Perangsang Telco Sdn Bhd

Perangsang Telco Sdn Bhd (formerly known as Kartika Nilam Sdn Bhd), a wholly owned subsidiary of the Company, had on 19 June 2012, entered into an Investment and Shareholders' Agreement with SAMENA Telecom Limited, Connect Mena Limited Jebel Ali Free Zone and Ceres Telecom Sdn Bhd ("Ceres Telecom") for the proposed investment in a mobile virtual network operator business via a thirty per cent (30%) equity stake in Ceres Telecom Sdn Bhd at a cost of investment of RM24,240,973.00.

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Perangsang Telco Sdn Bhd had fully subscribed to the shares equivalent to 30% equity stake in Ceres Telecom under the First Cash Call and Second Cash Call of Phase I on 13 December 2012 and 24 June 2013 respectively. The Third Cash Call is expected to be paid by Fourth Quarter 2013. As at the date of this report, the proposed investment is pending the fulfilment of the conditions precedent.

- (ii) Proposed joint venture between Cash Band (M) Berhad, a 99.98% owned subsidiary of Perangsang Selangor, with Rockbay Streams Sdn Bhd, a 100% owned subsidiary of SP Setia Berhad, for a mixed development project

Cash Band (M) Berhad, a 99.98% owned subsidiary of the Company, had on 6 February 2013, entered into Development Agreement (“the Agreement”) with Rockbay Streams Sdn Bhd, a 100% owned subsidiary of SP Setia Berhad, for a mixed development project comprising residential and commercial properties. As at the date of this report, the Agreement is pending the fulfilment of the conditions precedent.

- (iii) Proposed disposal of 254,562,576 ordinary shares of RM1.00 each in Kumpulan Hartanah Selangor Berhad (“KHSB”) held by the Company to Kumpulan Darul Ehsan Berhad (“KDEB”) for a cash consideration of RM193,467,557.76 or RM0.76 per share (“Proposed Disposal”)

On 14 February 2013, the Company received an offer from its holding company, KDEB to acquire 254,562,576 ordinary shares of RM1.00 each in KHSB (“Sale Shares”) (which represents 56.57% equity interest therein) from the Company for a cash consideration of RM193,467,557.76 or RM0.76 per share. On 28 February 2013, the Company has accepted the Offer and subsequently on 29 April 2013, the Company and KDEB executed the Share Purchase Agreement (“SPA”).

On 28 June 2013, the consideration of the Sale Shares has been revised from RM193,467,557.76 or RM0.76 per share to RM212,814,313.54 or RM0.836 per share after taking into account the valuation of the material properties of KHSB Group and in accordance with the terms and conditions of the SPA. The Proposed Disposal will be tabled to the Extraordinary General Meeting of the Company scheduled on 18 September 2013. If approved, the Proposed Disposal is expected to complete by early October 2013. As at the date of this report, the Proposed Disposal is pending the fulfilment of the conditions precedent.

- (iv) Proposed disposal of 90.83% equity holdings in Titisan Modal (M) Sdn Bhd (“TMSB”) and 30% equity holdings in Syarikat Pengeluar Air Selangor Holdings Berhad (“SPLASH Holdings”) to KDEB

On 20 February 2013, the Company received offers from KDEB to purchase 90.83% equity holdings in TMSB from the Company and 30% equity holdings in SPLASH Holdings from Viable Chip (M) Sdn Bhd, a wholly owned subsidiary of the Company (“KDEB Offers”). Subsequently, on 6 March 2013 the Company has accepted in principle the KDEB Offers, subject to the final terms and conditions to be negotiated and agreed upon, as well as the execution of a definitive agreement.

The KDEB Offers were deemed lapsed on 6 March 2013 as the shareholders of Puncak Niaga Sdn Bhd and Syarikat Bekalan Air Selangor Sdn Bhd were unable to reach a final decision in their giving approval in principle or to give an acceptance in principle to KDEB in respect of the indicative terms and conditions as set out in KDEB’s letter dated 20 February 2013.

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B8 Borrowings

The Group borrowings as at 30 June 2013 and all denominated in local currency are as follows:

	RM'000
Short term borrowings	
Secured	285,188
Long term borrowings	
Secured	815,493
Total Borrowings	<u>1,100,681</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.

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 the 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 RM15,930,000.00 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 of Appeal had fixed the hearing date on 25 April 2013 pending receipt of grounds of judgement and notes of proceedings from the High Court. On 25 April 2013, the Court of Appeal had postponed the hearing to 4 July 2013 since the parties are still waiting for the grounds of judgment and notes of proceedings for the High Court. On 4 July 2013, the Court of Appeal had unanimously dismissed CSSB's appeal with an order as to cost.

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3. Central Spectrum (M) Sdn Bhd. (CSSB) filed another appeal against the decision of 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 to 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 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, the amount increased to RM819,702.00;
- (iii) for Lot 74079, the amount increased to RM593,100.00; and
- (iv) for Lot 104400, the amount 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 of Appeal had fixed the hearing date on 25 April 2013 pending receipt of grounds of judgment and notes of proceedings from the High Court. On 25 April 2013, the Court of Appeal had postponed the hearing to 4 July 2013 since the parties are still waiting for the grounds of judgment and notes of proceeding from the High Court. On 4 July 2013, the Court of Appeal had unanimously dismissed CSSB's appeal with an order as to cost.

4. 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 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

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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 fixed the hearing on 27 November 2012. On 27 November 2012, the Court of Appeal had unanimously dismissed MAC's appeal with costs.

On 14 May 2013, the Learned Judge granted Order in Terms as follows:

- 1) For Inter-Parte Interim Injunction - the Court had allowed SAP's application to restrain the Defendant from filing winding-up petition under Section 218 of the Companies Act 1965 until the disposal of the Originating Summons filed by SAP.
- 2) For Originating Summons –
 - a) declaration that the Defendant's Bill of Cost dated 26 March 2010 is not comprehensive and the amount claimed is unjustifiable;
 - b) declaration that the amount claimed is unfair, unreasonable, exorbitant and SAP is not liable to pay for the same;
 - c) the Defendant to issue a new Bill of Costs to the right entity within ninety (90) days with due justification and details; and
 - d) thereafter, the new Bill of Costs to be submitted for taxation before the Registrar.

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; and
 - 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.

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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) Enclosure10 - ABASS's application for trial of preliminary issue
- 2) Enclosure13 - SYABAS's application to issue third party notice against the Selangor State Government
- 3) Enclosure14 - SYABAS's application to amend its Defense

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; and
- (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.

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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; and
- 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

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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.

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 have 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.

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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 have 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.

On 3 September 2012, after having heard counsels arguments in relation to Enclosure 10, the Court has allowed the application for Trial of Preliminary Issues. Pending the fixing of the hearing date of Enclosure 10, the Court has directed parties to do as follows:

- a) ABASS to provide the latest update amount outstanding from SYABAS to ABASS;
- b) The parties to file the bundle of documents within two (2) weeks from today; and
- c) Witness statements to be ready and exchanged 2 weeks before hearing.

The Court has then fixed the matter for further case management on 5 September 2012 for the fixing of trial dates for the hearing of Enclosure 10.

On 5 September 2012 during the case management, SYABAS's counsel informed the Court that they are intending to file and serve the following:-

- a) Application to amend SYABAS's Amended Defence in light of the Notice of Assignment dated 15 August 2012 issued by ABASS to SYABAS; and
- b) Application to stay the proceeding pending the hearing of SYABAS's appeal to the Court of Appeal on the striking out of the Third Party Notice against the State Government.

Pending the above matter, the Court has fixed the main action and ABASS's application for interim payment (Enclosure 76) for further case management on 2 October 2012.

During the Case Management on 2 October 2012, since the parties are still in the midst of exchanging affidavits in relation to SYABAS's application to re-amend its Defence (Enclosure 110), the Court has fixed 8 November 2012 for the following:-

- a) Hearing of Enclosure 110; and
- b) Mention of the Main Action and Enclosure 76.

On 8 November 2012, the Court has decided to allowed SYABAS's application to re-amend its Defence and directed SYABAS to file it within seven (7) days from 8 November 2012. The Court had given ABASS the liberty to make consequential amendments to its amended reply to defence within fourteen (14) days from the date of service of SYABAS re-amended Defence.

The Court had also fixed 30 November 2012 as the new Case Management date for ABASS application for interim payment (Enclosure 76) and fixed 22, 23 and 24 April 2013 as trial dates for the action.

On 30 November 2012, the Court fixed 4 January 2013 for further mention of ABASS' application for interim payment.

On 14 December 2012, SYABAS served a Notice of Application dated 11 December 2012 to strike out Writ of Summon and Statement of Claim. SYABAS based their application on the ground that by virtue of a Deed of Assignment dated 23 August 2012 entered into between ABASS and Maybank Investment Bank

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Berhad (as Security Agent for Acqua SPV Sdn. Bhd), ABASS had absolutely and irrevocably assigned its right to receive payments from SYABAS, to Maybank Investment Bank Berhad. In view of that, SYABAS claimed that ABASS has no right title, or interest to make any claim against SYABAS. The Application was fixed for hearing on 4 January 2013.

On 4 January 2013, as the parties were still in the midst of exchanging their affidavits, the Court directed as follows:

- a) SYABAS to file its affidavit in-reply on or before 7 January 2013;
- b) ABASS to file its affidavit in-reply thereof (if any) on or before 14 January 2013; and
- c) Hearing of the SYABAS' striking out application and case management of ABASS' application for interim payment was fixed on 12 March 2013.

During the hearing of SYABAS' application to strike out ABASS' Writ of Summon and Statement of Claims and case management on 12 March 2013, the parties informed the Court that they had filed and exchanged their respective submissions in relation to the SYABAS' application and that the parties required some time to prepare a submission in-reply. Having heard this, the Court directed the parties to file and serve the respective submission in-reply on or before 18 March 2013 and hearing of SYABAS' application and Case Management for the main suit and ABASS; application for interim payment was fixed on 20 March 2013.

On 31 January 2013, the Court of Appeal dismissed the appeal made by SYABAS against the decision by the Court on 31 July 2012 allowing the Selangor State Government' application to set aside the 3rd Party Notice and Statement of Claim filed by SYABAS. SYABAS then on 20 February 2013 filed a notice of motion for leave to appeal to the Federal Court against the decision of the Court of Appeal. The motion for leave to appeal has been fixed for hearing on 28 August 2013.

On 19 March 2013, ABASS filed another Notice of Application to strike out SYABAS' early application to strike out Writ of Summon and Statement of Claim and also to strike out SYABAS' Statement of Defence and Counterclaim. In the application, ABASS also applied for stay of the whole proceeding pending disposal of its application. This ABASS' application was fixed for hearing on 20 March 2013. ABASS based the application on a ground that SYABAS is no longer having locus standi to defend the case and to proceed with the application to strike out ABASS' Writ of Summon and Statement of Claim due to an assignment has been given by SYABAS by reason of its bonds having been acquired Pengurusan Aset Air Berhad ("PAAB") as informed by PAAB in its letter to ABASS dated 14 March 2013.

During the hearing on 20 March 2013, the Court instructed parties to complete the exchange of affidavits on 28 March 2013 and a Case Management was fixed on 29 March 2013 for parties to revert to the Court whether to proceed with their striking out applications or to proceed only with the trial by way of preliminary issues as decided before.

During the case Management on 29 March 2013, ABASS' solicitors informed the Court that they had just been served with SYABAS' affidavit in-reply to oppose ABASS' application to strike out their application and defence in which SYABAS still refused to disclose the relevant assignment documents executed by them. In light of this development, ABASS' solicitors informed the Court that ABASS might file in another application for discovery of the assignment documents. In this connection, the Court directed ABASS to file the notice of application for discovery of documents by 3 April 2013 and the hearing of the discovery application together with final Case Management was fixed on 17 April 2013.

In view of the full trial of the case that had been fixed on 22 to 24 April 2013, the Court fixed 8 April 2013 for Case Management whereby the parties were required to file the common bundle of documents, statement of agreed facts, statement of issues to be tried, bundle of pleadings, summary of case and list of witnesses and their respective roles.

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The Court also informed the parties that depending on the outcome of the discovery application, it is minded to address the striking out applications filed by both parties as a preliminary point before the start of the full trial on 22 April 2004.

On 8 April 2013, the parties informed the Court that their respective summary of case and list of witnesses had already been filed in Court. The documents which are still pending finalization are the Statement of Agreed Facts, Statement of Issue to be Tried and the Common Bundle of Documents. ABASS' solicitors also informed the Court that ABASS' discovery application had been filed on 3 April 2013 and that SYABAS is due to file its affidavit in-reply today.

SYABAS solicitors then informed the Court that there is a pending leave application by SYABAS in the Federal Court, to appeal against the decision of the Court of Appeal in dismissing SYABAS' appeal against the High Court order in striking out the Third Party application against Selangor State Government. The motion for leave to appeal to the Federal Court has been fixed for Hearing on 28 August 2013.

Having heard this, the trial dates fixed on 22 to 24 April 2013 are vacated pending disposal of the Hearing of the leave application at the Federal Court. As such, all directions given by the Court earlier pertaining to the trial would be stayed pending the outcome of the Federal Court decision. The Court then fixed 4 September 2013 as the Case Management date for the main action.

However, the other pending applications would proceed as fixed as follows:

- i) ABASS' discovery application hearing maintained on 17 April 2013; and
- ii) SYABAS' and ABASS' striking out applications were fixed for Hearing on 24 April 2013.

On 17 April 2013, when the case was fixed for Hearing of ABASS' discovery application, the learned Judge informed the parties that her Ladyship had read the written submission of both parties and would require clarification on certain point of law. However, the learned Judge had also reiterated her Ladyship's earlier suggestion to have the issue of locus standi be dealt together with the main action, so as to avoid wasting of judicial time.

In this connection, the Court had fixed the case for Case Management of the main action, ABASS' application for interim payment, SYABAS' striking out application and ABASS' striking out and discovery application on 4 September 2013, pending the hearing of SYABAS' leave application at the Federal Court in regard to the 3rd Party Proceeding against the State Government of Selangor. The Court had also directed the full Hearing date fixed on 24 April 2013 be vacated.

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

1. 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 for a 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's 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.

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2. 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 HS(D) 20034 PT No. 26549, Mukim Batu, Daerah Gombak (“Gombak Land”). SAP, the registered proprietor of the Gombak Land then, 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 filed its written submission on 4 November 2010 and the case was 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 said 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 on 25 March 2011, the Court granted an Interim Stay pending filing of submissions by both parties 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 submissions 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 submissions 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. On 30 November 2011, the Court dismissed CTSB’s application to set aside the Order for Sale. The Court of Appeal had fixed 12 January 2012 for hearing of AMF’s appeal against the stay order obtained by SAP. However, the Court of Appeal had 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 had 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. On 4 September 2012, the Court had fixed this matter for hearing on 1 October 2012 wherein AMF’s appeal against the Order for Stay of Execution granted to SAP and SAP’s appeal against the Order for Sale granted to AMF will be heard together. On 1 October 2012, the Court of Appeal had set aside SAP’s appeal against the Order of Sale dated 20 December 2010 with a nominal cost of RM15,000.00 to be paid by SAP to AMF.

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 an indemnity 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.

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CTSB filed another action vide Kuala Lumpur High Court Suit No. S6-22-280-2006 against SAP and Star Everest Sdn Bhd ("SESB") ("Suit 2") 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;
- 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 dated 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.

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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 has 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.

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.

On 5 September 2012, the Court fixed 16 October 2012 for case management in respect of SAP's application for assessment of damages pursuant to the judgement dated 4 August 2011.

On 5 October 2012, CTSB's appeal against the decision of the High Court dated 4 August 2011 proceeded for continued hearing and upon hearing the submissions from all the parties, the Court reserved its decision whereby the written decision will be delivered on a date to be fixed by the Court.

During the continued hearing, the Court allowed CTSB's application to amend the Intitulement of Notice of Appeal, Memorandum of Appeal and Record of Appeal with costs of RM2,000.00 to be paid by CTSB to SAP and no order as to cost with regards to SESB. The amendment will correctly reflect the status of CTSB as "Cergas Tegas Sdn Bhd (Dalam Likuidasi)".

In respect of SAP's application for assessment of damages, on 16 October 2012, the Court has set the Mention date on 12 December 2012 pending the outcome of the Court of Appeal's decision in Civil Appeal No. W-02-102-2011 (in relation to CTSB's appeal against the decision of the High Court).

On 7 December 2012, Court of Appeal held as follows:

- i) that the appeal was allowed with costs of RM50,000.00 in which the decision of the High Court dated 4 August 2011 was overturned;
- ii) that the termination of the Joint Venture Agreement dated 12 January 1991 and the agreements ancillary thereto ("JVA") by SAP are wrongful and not valid;
- iii) that the unilateral revocation of the Power of Attorney in favour of Cergas Tegas Sdn. Bhd. ("CTS B") dated 28 August 1991 by SAP is not valid and consequently, the Power of Attorney is still valid and binding on SAP;
- iv) that SAP only has interest and rights to the payment of the balance of the RM23,500,000.00 and not the leasehold land held under HS(D) 20034, PT No. 26549, Mukim Batu, Daerah Gombak, Selangor Darul Ehsan ("Land") pursuant to the Second Supplementary Agreement;
- v) that conduct of SAP through up to the date of termination of the JVA was such that SAP only gave effect to the Second Supplementary Agreement and not to the JVA; and
- vi) SAP's counterclaim is dismissed.

With the above findings, the Court of Appeal among others ordered that:

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- a) SAP transfers the Land to CTSB, subject to payment of the balance purchase price equivalent to RM14,322,173.00 by CTSB to SAP and further subject to redemption by CTSB and also further subject to the status of the forfeiture of the Land by the Selangor State Authority;
- b) SAP gives vacant possession of the Land to CTSB;
- c) SAP to pay CTSB for damages to be assessed by the Senior Assistant Registrar of the High Court; and
- d) An injunction restraining SAP from disposing the Land to Star Everest.

In respect of the SAP's application for assessment of damages, which was fixed for Mention on 12 December 2012, in light of the Court of Appeal's decision above and in furtherance to the option open to SAP to seek leave of the Federal Court to appeal to the Federal Court against the said decision, the High Court and all parties agreed that the proceeding for assessment of damages in favour of SAP be kept in abeyance and not to be struck out at this juncture. The High Court has fixed this matter for Case Management on 5 February 2013.

On 26 December 2012, SAP filed the Motion for Leave to Appeal to the Federal Court against the Court of Appeal's decision dated 7 December 2012. SAP's Motion for Leave is fixed for Case Management on 23 January 2013. On 23 January 2013, the Federal Court had fixed the Hearing in respect of SAP's Motion for Leave to Appeal on 3 April 2013.

On 5 February 2013, the High Court had fixed the next Case Management for SAP's application for assessment of damages on 16 April 2013 pending the outcome of the Hearing of the Notice of Motion for Leave to Appeal which was fixed on 3 April 2013. On 3 April 2013, the Federal Court had dismissed SAP's Motion for Leave to Appeal against the Court of Appeal's decision dated 7 December 2012 with cost. The Court had fixed the next Case Management for CTSB's application for assessment of damages on 3 June 2013. Whilst SAP's application for assessment of damages pursuant to the Order dated 4 August 2011 had been withdrawn with no order as to cost. On 3 June, the Court had fixed the Case Management on 10 July 2013 to enable parties to exchange affidavits. On 10 July 2013, the High Court had fixed the Case Management on 24 July 2013 for CTSB to file their affidavits. On 24 July 2013, the High Court had fixed the next Case Management on 4 September 2013 for SAP to file their Affidavit in Reply.

4. 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. On 7 December 2012, the High Court maintained the dates for Full Trial. Upon completion of the Full Trial, the court has directed the followings:

- a) The parties to submit their respective written submissions by 3 March 2013; and
- b) The Decision/Clarification is fixed on 19 March 2013.

On 19 March 2013, the High Court had vacated the date fixed for Decision/Clarification as the Learned Judge was on medical leave. The High Court will inform the parties in writing on the next Decision/Clarification date. On 11 April 2013, the Court had vacated the date which was fixed for Decision/Clarification on 12 April 2013 as the Learned Judge is still on medical leave. The matter had been fixed for Decision/Clarification on 6 May 2013. The Court had vacated the date which was fixed for Decision/Clarification on 6 May 2013 as the Learned Judge is still on medical leave until end of July 2013.

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This matter is now fixed for Decision/Clarification on 31 July 2013. The court had vacated the date which was fixed for Decision/Clarification on 31 July 2013 as the Learned Judge is still on medical leave. This matter is now fixed for Decision/Clarification on 9 September 2013.

5. 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 is alleging that SAP has wrongfully terminated the Agreements. On 22 December 2011, the Court 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 Defence 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 was 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 was fixed on 24 July 2012.

On 24 July 2012, in view that the parties are still in the process of finalising 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.

On 24 September 2012, the Court has rescheduled the Trial dates to 12 December 2012 until 14 December 2012. On 12 December 2012, the Court vacated the Trial dates and fixed this matter for Case Management on 30 January 2013. The adjournment was granted by the Court to allow parties to go through the grounds of judgement by the Court of Appeal in the case of Cergas Tegas Sdn Bhd vs SAP Holdings Berhad and Star Everest Sdn Bhd (Civil Appeal No.W-02-2105-2011) which was decided on 7 December 2012, and thereafter for parties to make the necessary amendments to the pleadings (if necessary).

On 30 January 2013, the High Court had fixed this matter for further Case Management on 5 April 2013 pending the direction of Federal Court in the application for Leave to Appeal to Federal Court by SAP in the suit involving Cergas Tegas Sdn Bhd, SAP and Star Everest Sdn Bhd (Civil Appeal No. W-02-2105-2011) which had been fixed on 3 April 2013.

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On 5 April 2013, in view of the decision by the Federal Court on 3 April 2013 in respect of Civil Appeal No. W-02-2015-2011 mentioned above, the High Court had granted SAP until 17 April 2013 to file the application to amend the Amended Statement of Defence ("Application"). The High Court will fix the trial dates after the disposal of the Application. On 22 April 2013, the solicitor for SAP informed that the Application had been fixed for Case Management on 7 May 2013. On 7 May 2013, the High Court had fixed for hearing before the Judge on 23 May 2013 in respect of the said Application.

On 23 May 2013, the Learned Judge had allowed SAP's Application and the case is fixed for Case Management on 27 June 2013. On 27 June 2013 the Court had given the following directions:

- i) the case is fixed for Trial on 25 October 2013 and 10 December 2013; and
- ii) final Case Management is fixed on 22 August 2013 to allow parties to re-organize the Common Bundle of Documents.

On 22 August 2013, the Court had fixed further Case Management on 10 October 2013 for the followings:

- i) the Court had requested the parties to file the English translation of Pleadings, Agreed Facts, Agreed Issue and Summary of Case instead of in Bahasa Malaysia version which were filed earlier; and
- ii) the parties to file Opening Statement.

6. 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. On 18 September 2012, the Court has adjourned this matter to 21 September 2012 since the Assistant Registrar was not available to hear and manage the case. On 21 September 2012, the Court has fixed this matter for Case Management on 5 November 2012 for the parties to file their respective Common Bundle of Documents, List of Witnesses, Witness Statements and List of Exhibits. On 5 November 2012, the Court has fixed 19 November 2012 for Trial. On 19 November 2012, the Court vacated the Trial date and fixed a new date for Trial on 25 January 2013 to enable the parties to comply with the Court's directives given on 5 November 2012. The Court had fixed 11 January 2013 for Case Management. On 11 January 2013, the Court had fixed 21 January 2013 as the next Case Management date for the parties to file the Bundle of Documents, Agreed Facts and Issues and Summary of the Defendant's case.

On 21 January 2013, the Court deferred the Trial date, scheduled on 25 January 2013, to 18 April 2013 and 19 April 2013. Prior to the Trial date proper, the Court had fixed 11 April 2013 for Case Management to enable the parties to comply with the Court's directives as follows:

- (i) parties to file their respective Witness Statement and List of Witnesses; and
- (ii) the Plaintiff to file the Agreed Facts and Issues to be tried.

On 11 April 2013, the Court had fixed the new Trial dates on 23 July 2013 and 24 July 2013. The Court further directed the parties to ensure that the Bundle of Documents and its supplementary bundle together with the Witness Statements are filed in Court at least one (1) week before Trial. On 23 July 2013, the High Court had vacated the Trial dates fixed on 23 July 2013 and 24 July 2013 as the new Learned Judge who took over the conduct of the case is fully engaged in another trial in the same dates. The High Court had fixed the new Trial dates on 14 November 2013 and 15 November 2013.

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7. AmBank (M) Berhad ("AmBank") filed an action in the Shah Alam High Court Civil Suit No. 22NCVC-498-07/2013 vide a Writ of Summons and Statement of Claim dated 23 July 2013 against SAP Holdings Berhad ("SAP") in respect of a 3rd party legal charge created by SAP on a piece of land held under HS(D) 20034 PT 26549, Mukim Batu, Daerah Gombak, Selangor Darul Ehsan as security for the loan facility of RM17,000,000.00 granted by AmBank to Cergas Tegas Sdn Bhd ("CTSB") pursuant to the Joint Venture Agreement entered into between SAP and CTSB on 12 January 1991.

Based on the Statement of Claim, AmBank is claiming for the followings:

- (a) a sum of RM60,264,784.98 as at 13.05.2013 under the said facility;
- (b) interest on RM60,264,784.98 at the Base Lending Rate of 2.50% per annum (as at 13.05.2013 the rate is 6.60%) and default rate interest of 1% calculated from 14.05.2013 until full realization thereof;
- (c) costs on the solicitors and client's basis;
- (d) any other relief/order which the Court deems fit.

The Court has fixed the matter for Case Management on 18 September 2013.

B10 Dividends

A final gross dividend of 2 sen less 25% tax per ordinary share amounting to RM7,470,478.80 in respect of the year ended 31 December 2012 which was approved by the shareholders at the Annual General Meeting of the Company held on 20 June 2013 was paid on 5 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/(loss) attributable to owners of the parent 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/(loss) attributable to owners of the parent by the adjusted weighted average number of shares in issue. The weighted average number of shares in issue is adjusted for potential dilutive shares from the exercise of outstanding ESOS options of the Company.

	3 Months Ended 30.06.2013	3 Months Ended 30.06.2012	6 Months Ended 30.06.2013	6 Months Ended 30.06.2012
(a) Basic earnings per share				
Net profit attributable to owners of the parent (RM'000)				
- continuing operations	25,310	25,625	45,791	49,982
- discontinued operation	(2,037)	3,777	(557)	(826)
Weighted average number of shares in issue ('000)	477,764	476,956	478,618	476,923
Basic EPS (sen)				
- continuing operations	5.3	5.4	9.6	10.5
- discontinued operation	(0.4)	0.8	(0.1)	(0.2)
(b) Diluted earnings per share				
Net profit attributable to owners of the parent (RM'000)				
- continuing operations	25,310	25,625	45,791	49,982
- discontinued operation	(2,037)	3,777	(557)	(826)
Weighted average number of shares in issue ('000)	477,764	476,956	478,618	476,923
Effects of dilution from exercise of ESOS options ('000)	3,685	262	5,035	833
	481,449	477,218	483,653	477,756
Diluted EPS (sen)				
- continuing operations	5.3	5.4	9.5	10.5
- discontinued operation	(0.4)	0.8	(0.1)	(0.2)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
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B12 Realised and unrealised profits or 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 30.06.2013 RM'000	As at 31.12.2012 RM'000
The retained profits of the Group:-		
- Realised	29,226	47,657
- Unrealised	(55,667)	(53,309)
	<hr/>	<hr/>
	(26,441)	(5,652)
Total share of retained profit from associated companies		
- Realised	515,584	464,248
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Retained earnings as per financial statements	489,143	458,596
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BY ORDER OF THE BOARD

HASHIMAH BINTI HAJI MOHD ISA
Company Secretary

Date: 30 August 2013