

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

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 Malaysian Financial Reporting Standard (“MFRS”) 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 2013.

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 2013 except for the adoption of the following new and revised Financial Reporting Standards (FRSs) and Amendments to FRSs with effect from 1 January 2014.

A2.1 Adoption of FRSs and Amendments to FRSs

On 1 January 2014, the Group and the Company adopted the following new and amended mandatory for annual financial periods beginning on or after 1 January 2014.

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	1 January 2014
Amendments to FRS 132	Disclosure – Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 136	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014

The adoption of the revised standards and amendments to standards did not have any significant impact on the financial statements of the Group.

A2.2 Standards issued but not yet effective

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

		Effective for financial periods beginning on or after
FRS 119	Employee Benefits (Amendments relating to Defined Benefits Plans: Employee Contributions)	1 July 2014
Annual improvements to FRSs 2010-2012 cycle (issued in February 2014)		1 July 2014
Annual improvements to FRSs 2011-2013 cycle (used in February 2014)		1 July 2014

The Group plans to apply the abovementioned FRSs in the annual financial statements when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the Group in the period of initial application.

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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”).

Based on the MASB announcement on 2 September 2014, Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

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 2017. 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 Group is in the process of making its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these unaudited interim financial statements for the period ended 30 September 2014 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

A3 Audit report of preceding annual financial statements

The audited financial statements for the financial year ended 31 December 2013 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

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

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A8 Dividend paid

- (i) The first interim single-tier dividend of 2 sen per ordinary share amounting to RM9,980,082 in respect of the financial year ending 31 December 2014 was declared on 26 February 2014 and paid on 26 March 2014; and
- (ii) A final single-tier dividend of 2 sen per ordinary share amounting to RM9,980,082 in respect of the financial year ended 31 December 2013 which was approved by the shareholders at the Annual General Meeting of the Company held on 20 June 2014 was paid on 15 August 2014.

A9 Segmental Information

	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
<u>Continuing Operations:</u>				
Infrastructure and utilities	61,143	61,958	220,772	207,111
Trading	14,402	14,084	55,019	51,018
Hospitality	4,773	7,934	20,698	28,500
Golf club and recreational facilities	1,775	1,690	6,805	6,791
Investment holding	4,436	4,344	20,885	27,876
Total revenue including inter-segment sales	86,529	90,010	324,179	321,296
Elimination of inter-segment sales	(1,329)	(1,944)	(8,807)	(18,822)
Total Continuing Operations	85,200	88,066	315,372	302,474
<u>Discontinued Operation:</u>				
Property development and management	-	-	-	13,530
Total Revenue	85,200	88,066	315,372	316,004
Segment Results				
<u>Continuing Operations:</u>				
Infrastructure and utilities *	43,771	(707)	154,217	96,978
Trading	1,440	(2,231)	6,071	1,315
Hospitality	(1,374)	(826)	(9,990)	(3,280)
Golf club and recreational facilities	(11,630)	(733)	946	(2,547)
Oil and gas	(1,054)	(635)	1,484	1,900
Telecommunication	(99)	(1,114)	(3,444)	(2,335)
Investment holding	(3,752)	(3,407)	(12,952)	49,984
Total profit	27,302	(9,653)	136,332	142,015
Eliminations	(895)	(1,229)	(5,828)	148,886
Profit before tax, from continuing operations	26,407	(10,882)	130,504	290,901
<u>Discontinued Operation:</u>				
Property development and management	-	-	-	(5,151)
Total Profit before Tax	26,407	(10,882)	130,504	285,750

* Included share of profit of associates.

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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.

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) Disposal of an associate company

On 24 June 2014, Cash Band (M) Berhad, a subsidiary of the Company completed the disposal of its 49% equity interest in KDE Recreation Berhad comprising 4,900,000 ordinary shares of RM1.00 to Berjaya Vacation Club Berhad at a consideration of RM19.0 million. The disposal resulted in a gain of RM12.828 million.

A12 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the unaudited interim financial statements as at 31 December 2014 is as follows:

	RM'000
Approved but not contracted for	<u>40,784</u>

A13 Contingent liabilities

The contingent liabilities as at 31 December 2014 are as follows:

i) Secured:	RM'000
a) Provision of proportionate corporate guarantee for an associate:	
i) For financing/refinancing of the credit facilities for the purchase consideration of business and identifiable assets	68,319
ii) Working capital and issuance of bank guarantees	16,451
iii) For the warrant guarantee	3,802
ii) Unsecured	
a) Performance guarantees to third parties	669
Total	<u>89,241</u>

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

B1 Performance review

a) Current quarter against previous year corresponding quarter

For the current quarter ended 31 December 2014, the Group registered revenue RM85.20 million as compared to RM88.07 million for the corresponding quarter 2013, representing a decrease of 3% or RM2.87 million. The decrease was mainly due to the lower revenue recorded by the hospitality sector by RM3.16 million due to the closure of Quality Hotel Shah Alam's operation with effect from 1 June 2014. The infrastructure and utilities and trading sector recorded higher revenue by RM0.82 million and RM0.32 million respectively.

Profit before tax of the Group was RM26.41 million for the current quarter as compared to loss of RM10.88 million for the preceding year corresponding quarter 2013. The significant increase in profit was due to contribution from share of profits from associated companies of RM56.96 million as compared to a loss of RM8.18 million recorded in 2013.

Performance of the respective operating business segments for the fourth quarter ended 31 December 2014 as compared to the preceding year corresponding quarter is analysed as follows:-

1. Infrastructure and utilities

Revenue from infrastructure and utilities sector for the current quarter decreased marginally from RM61.96 million to RM61.14 million and was due to lower construction revenue by RM2.45 million and mitigated by higher sale of treated water by RM1.63 million.

The infrastructure and utilities sector registered profit before tax of RM43.77 million as compared to a loss before tax of RM0.71 million in the corresponding quarter 2013. The significant increase in profit was mainly due to higher contribution of share of profits from associated companies by RM63.89 million during the current quarter.

2. Trading

The trading sector posted a profit before tax of RM1.44 million on the back of total revenue of RM14.40 million. On current quarter against corresponding quarter 2013 comparison, profit before tax for the current quarter was RM1.44 million as compared to corresponding quarter 2013 loss of RM2.23 million. The loss recorded in 2013 was mainly due to a loss on disposal of an associate company of RM2.88 million.

3. Hospitality

The hospitality sector registered lower revenue of RM4.77 million as compared to the corresponding quarter of 2013 amounting to RM7.93 million. The lower revenue was mainly due to the closure of operation of Quality Hotel Shah Alam with effect from 1 June 2014 coupled with lower revenue recorded by Quality Hotel City Centre (RM0.31 million) mitigated by higher revenue recorded by Brisdale International Hotel Sdn Bhd (RM0.40 million). The loss before tax for the hospitality sector for the current quarter was RM1.37 million as compared to a loss of RM0.83 million in the corresponding quarter of 2013 mainly due to higher operating cost.

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4. Golf club and recreational facilities

The golf club and recreational facilities recorded revenue of RM1.77 million as compared to RM1.69 million in the preceding year corresponding quarter of 2013. The sector recorded a loss of RM11.63 million as compared to a loss of RM0.73 million in the corresponding quarter 2013. The higher loss was mainly due to retrenchment cost of RM2.58 million and provision for refund of unexpired memberships of RM9.92 million.

5. Oil and gas

For the current quarter, NGC Energy Sdn Bhd has recorded a loss after tax of RM2.64 million (2013: loss of RM1.59 million) which in turn the Group's share of losses was RM1.05 million as compared to share of loss of RM0.64 million for the corresponding quarter 2013. The higher losses recorded during the current quarter was mainly due to higher operating cost.

6. Telecommunication

The Group's share of losses for the current quarter was RM0.10 million as compared to a loss of RM1.11 million for the corresponding quarter of 2013, a decrease by RM1.01 million. Lower share of losses was mainly due to the recognition of deferred tax assets arising from the utilisation of tax losses by the company.

7. Investment holding

Investment holding recorded revenue of RM4.44 million as compared to RM4.34 million in the corresponding quarter 2013. This sector recorded a loss before tax of RM3.75 million as compared to loss of RM3.41 million in the corresponding quarter 2013.

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

For the twelve months ended 31 December 2014, the Group registered revenue of RM315.37 million as compared to RM302.47 million in the corresponding period 2013, representing an increase in revenue of RM12.90 million or 4%. The increase was mainly due to higher revenue from infrastructure and utilities sector by RM13.66 million and from trading sector by RM4.00 million. However, the hospitality and investment sector recorded a lower revenue by RM7.80 million and RM10.01 million respectively.

The Group recorded a profit before tax of RM130.50 million as compared to a profit of RM290.90 million in the corresponding period 2013, representing a decrease in profits by RM160.40 million. The decrease in the profit before tax was mainly due to higher allowance on impairment of trade receivables by RM71.29 million recorded in the current period. In 2013, the Group had recognised a gain on disposal of a subsidiary company of RM284.35 million which was reduced by a loss on disposal of an associate company of RM46.26 million.

1. Infrastructure and utilities

The revenue for infrastructure and utilities sector increased from RM207.11 million to RM220.77 million for the current period as a result of higher production of treated water coupled with higher construction revenue by Konsortium Abass Sdn Bhd.

The infrastructure and utilities sector recorded a profit before tax of RM154.22 million as compared to a profit before tax of RM96.98 million in corresponding period of 2013. The higher profit was mainly due to higher contribution by associated companies for the current period.

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2. Trading

For the period ended 31 December 2014, trading sector posted a profit before tax of RM6.07 million on the back of total revenue amounting to RM55.02 million. The current period revenue and profit before tax were higher by RM4.00 million and RM4.75 million respectively due to the higher revenue from sale of chemical products as a result of increase in water production by the water treatment plants.

3. Hospitality

The hospitality sector recorded revenue of RM20.70 million as compared to RM28.50 million in the corresponding period 2013. The lower revenue was mainly due to the closure of operation of Quality Hotel Shah Alam with effect from 1 June 2014 coupled with lower revenue recorded by Quality Hotel City Centre. The loss before tax for hospitality sector was RM9.99 million as compared to a loss of RM3.28 million in the corresponding period 2013 due the retrenchment cost incurred by Quality Hotel Shah Alam during the current period.

4. Golf club and recreational facilities

The golf club and recreational facilities recorded revenue of RM6.81 million as compared to RM6.79 million in the corresponding period 2013. The sector profit before tax was RM0.95 million as compared to a loss of RM2.55 million for the corresponding period 2013. The profit for the current period was mainly due to gain on disposal of an associated company of RM12.83 million mitigated by retrenchment cost and provision for refund of unexpired memberships of RM12.50 million.

5. Oil and gas

For the current period, NGC Energy Sdn Bhd has registered profit after tax of RM3.71 million which translated into the Group's share of profit of RM1.48 million. The current period share of profit was lower by RM0.42 million as compared to the corresponding period of 2013.

6. Telecommunication

The Group's share of losses for the current period in Ceres Telecom Sdn Bhd ("Ceres") was RM3.44 million higher by RM1.10 million as compared to a loss of RM2.34 million for the corresponding quarter of 2013. Higher share of losses was mainly due to the increased in the marketing expenses.

7. Investment holding

The investment holding sector recorded revenue of RM20.89 million as compared to RM27.88 million in the corresponding period of 2013 mainly due to lower dividend income. The sector recorded a loss of RM12.95 million as compared to profit of RM49.98 million in the corresponding period 2013. The profit recorded in 2013 was mainly due to gain on disposal of a subsidiary company of RM52.31 million.

B2 Comment on material change in profit before tax

The Group recorded a profit before tax from continuing operations of RM26.41 million for the current quarter ended 31 December 2014 as compared to a profit of RM31.85 million in the previous quarter ended 30 September 2014. The reduction in profit was mainly due to higher allowance for impairment on

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trade receivables and operating costs mitigated by higher contribution from associated companies of RM56.96 million as compared to RM25.90 million in the previous quarter.

B3 Commentary on prospects

1. Infrastructure and utilities

In conjunction with the proposed restructuring of the water supply industry in the State of Selangor and Federal Territories of Kuala Lumpur and Putrajaya ("Proposed Water Restructuring"), Kumpulan Darul Ehsan Berhad ("KDEB") made certain offers to acquire the equity interest in the companies involved in the treatment, supply and distribution of water.

KDEB had on 20 June 2014, made an offer to the Company to purchase 90.83% equity in Titisan Modal (M) Sdn Bhd and the resolution of the RM150 million nominal amount Bai-Bithamin Ajil Islamic Debt Securities A ("BaIDS A") and RM50 million nominal amount Bai-Bithamin Ajil Islamic Debt Securities ("BaIDS B") both issued by Viable Chip (M) Sdn Bhd, a wholly owned subsidiary of the Company vide the assumption of such liabilities by KDEB ("Proposals"). Subsequently, on 23 June 2014 the Company has accepted the KDEB's offer subject to the terms and conditions of the definitive agreement(s) to be executed by the parties in relation to the Proposals, which are conditional upon, amongst others, the approval of the shareholders of the Company at an extraordinary general meeting ("EGM") to be convened.

Pengurusan Air Selangor Sdn Bhd ("Air Selangor"), a wholly-owned subsidiary of KDEB has been incorporated as a special purpose vehicle to undertake the Proposed Water Restructuring.

Subsequent to the Memorandum of Understanding and Heads of Agreement executed on 26 February 2014 and 1 August 2014 respectively between the Government of Malaysia ("Federal Government") and the State Government of Selangor Darul Ehsan ("State Government"), a Master Agreement was entered into on 12 September 2014 between the Federal Government, the State Government, Pengurusan Aset Air Berhad ("PAAB") and Air Selangor for inter alia the transfer of certain water supply assets from Air Selangor to PAAB and an Asset Transfer Agreement was entered into on 22 September 2014 ("State Agreement") between the State Government and Air Selangor for the transfer to Air Selangor of water-supply related assets owned by the State Government, in furtherance of the Proposed Water Restructuring.

Subsequently, Puncak Niaga Holdings Berhad ("PNHB") had on 11 November 2014 entered into a conditional sale and purchase agreement with Air Selangor for the proposed disposal by PNHB of the entire equity interest and cumulative convertible redeemable preference shares held in Puncak Niaga (M) Sdn Bhd and 70% equity interest and RM212.0 million nominal value of redeemable convertible unsecured loan stocks held in Syarikat Bekalan Air Selangor Sdn Bhd for a total cash consideration of RM1,555.3 million.

Upon the successful completion of the Proposed Water Restructuring, the Group will move away from the water utilities sector and is currently seeking investment opportunities in other sectors to ensure continued sustainability of its business and operations.

2. Trading

For the trading activities sector, the demand for the water treatment chemicals remains bullish in the near future due to the increase in water production from the water treatment plants especially in the state of Selangor.

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3. Hospitality

For the hospitality sector, with the closure of Quality Hotel Shah Alam, 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 a Development Agreement with Rockbay Streams Sdn Bhd (know known as Setia Eco Templer 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

For the twelve months period ended 31 December 2014, NGC Energy Sdn Bhd has registered net profit of RM3.71 million as compared to RM1.19 million. With the improvement in the results, the Group expects the oil and gas sector to continue contributing positively to the results of the Group in the future.

6. Telecommunication

With the launching of Friendi mobile services in September 2013 by Ceres Telecom Sdn Bhd, efforts are continuously being pursued in order to ensure that Ceres Telecom Sdn Bhd contributes 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		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Notional income on unwinding of discounting of:				
- concession receivables	25,755	3,199	33,842	12,293
- imputed interest income	3,396	4,094	13,583	16,376
- loan and receivables	1,701	3,335	6,804	5,694
Profit from Islamic short term placement	997	2,237	4,011	3,240
Interest income - fixed deposit	123	117	390	310
(Loss)/gain on disposal:				
- property, plant and equipment	(661)	321	(517)	428
(Loss)/gain on foreign exchange	(5)	(36)	(1)	(1)
Reversal of allowance for impairment on inventories	-	-	-	5
Net fair value loss on financial instruments:				
- Available-for-sale financial assets (transferred from equity upon disposal of Investment securities/subsidiaries)	-	759	-	-
Finance costs	(18,451)	(32,081)	(95,058)	(113,597)
Depreciation of property, plant and equipment	(2,003)	(2,861)	(9,356)	(10,669)

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	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Depreciation of investment properties	(21)	(22)	(85)	(98)
Amortisation of intangible assets	(479)	(78)	(964)	(1,928)
Amortisation of concession rights	(4,187)	(4,186)	(16,745)	(16,745)
Impairment loss on trade receivables	(60,812)	(8,649)	(101,898)	(28,128)
Exceptional items:				
- gain on disposal of a subsidiary company	-	-	-	284,351
- loss on disposal of an associate company	-	(2,882)	-	(60,056)

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

B6 Income tax and zakat expense

	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Continuing operations:				
Current tax position	(12,625)	(1,218)	8,544	25,555
Deferred tax transfer to balance sheet	6,976	21,016	3,459	(4,689)
Income tax expense	(5,649)	2,744	12,003	20,866
Zakat expense	56	1	399	713
Income tax and zakat expense	5,593	2,745	12,402	21,579
Discontinued operation:				
Current tax position	-	-	-	21
Deferred tax	-	-	-	(87)
Income tax expense	-	-	-	(66)
Zakat expense	-	-	-	86
Income tax and zakat expense	-	-	-	20
Total income tax and zakat expense	5,593	2,745	12,402	21,599

The effective tax rate for the Group for the current quarter is lower due to certain income not subject to tax.

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 ("Perangsang Telco") 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

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Telecom”) for the proposed investment in a mobile virtual network operator business via a thirty per cent (30%) equity stake in Ceres Telecom at a cost of investment of RM24,240,973.00.

Perangsang Telco had fully subscribed to the shares equivalent to 30% equity stake in Ceres Telecom under the First Cash Call, Second Cash Call and Third Cash Call of Phase I on 13 December 2012, 24 June 2013 and 1 October 2013 respectively. The balance of the investment cost of RM7.992 million shall be payable under Phase 2 and is conditional upon the fulfilment of certain conditions. As at the date of this report, the proposed investment is subject to the launch of its Virgin Mobile brand.

On 2 April 2014, Perangsang Telco, subscribed 3 million ordinary shares of RM1.00 each in Ceres Telecom, for a total cash consideration of RM3.0 million as part of the 10 million capital call in Ceres Telecom.

- (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 a Development Agreement (“the Agreement”) with Rockbay Streams Sdn Bhd (know known as Setia Eco Templer 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 final conditions precedent.

- (iii) Proposed purchase by Kumpulan Darul Ehsan Berhad (“KDEB”) of 90.83% equity in Titisan Modal (M) Sdn Bhd (“TMSB”) (“Proposed Purchase”) and the resolution of the RM150 million nominal amount Bai-Bithamin Ajil Islamic Debt Securities A (“BaIDS A”) and RM50 million nominal amount Bai-Bithamin Ajil Islamic Debt Securities (“BaIDS B”) both issued by Viable Chip (M) Sdn Bhd (“Viable Chip”) vide the assumption of such liabilities by KDEB (“Proposed Resolution”).

(Proposed Purchase and Proposed Resolution are collectively referred to as “Proposals”)

On 20 June 2014, the Company received an offer letter from KDEB in relation to the Proposals (“Offer”). The Board (save for YM Raja Idris Raja Kamarudin and Encik Suhaimi Kamaralzaman who are both deemed interested parties in the Offer) at its meeting on 23 June 2014, has resolved to accept the Offer from KDEB after deliberating on the Proposals on the following indicative terms and conditions: -

- (i) The Proposed Purchase of the 90.83% equity in TMSB for an indicative consideration of RM78.054 million; and
- (ii) The Proposed Resolution of the BaIDS A and BaIDS B via KDEB’s assumption of the liabilities amounting to an aggregate nominal amount of RM200.0 million as consideration for the settlement of inter-company debt.

The Company will in due course execute the definitive agreement(s) in relation to the Proposals, which are conditional upon, amongst others, the approval of the shareholders of the Company at an extraordinary general meeting (“EGM”) to be convened.

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B8 Borrowings

The Group borrowings as at 31 December 2014 and all denominated in local currency are as follows:

	RM'000
Short term borrowings	
Secured	439,134
Long term borrowings	
Secured	584,121
Total Borrowings	<u>1,023,255</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 – 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

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be issuing Third Party proceedings against the Selangor State Government. The Court has fixed 30 May 2011 for the next case management.

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

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

On 29 July 2011, SYABAS's solicitors informed that they have filed and served affidavit in reply on 28 July 2011 to ABASS's application for trial of preliminary issues. The Court further fixed 19 August 2011 for ABASS to reply to SYABAS's affidavits and subsequently, on 26 August 2011 for SYABAS to reply to ABASS's affidavits. The next case management was fixed on 26 August 2011.

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

- 1) 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 Defence

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

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

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

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

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

- (i) Enclosure 13 & 14 (SYABAS's application to issue third party notice against the Selangor State Government & SYABAS's application to amend its Defence) on 21 October 2011; 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,

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ABASS sought leave to file a reply to SYABAS's Amended Defense within 2 weeks upon the service of the sealed Amended Defense or any further extension of time by agreement of both parties. The next case management is fixed on 17 November 2011 pending SYABAS's service of the third party notice against Selangor State Government.

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

On 17 November 2011, the counsel for Selangor State Government informed the Court that they have filed their Memorandum of Appearance on 15 November 2011, however, they have yet to file in their defense and they intend to set aside the Third Party Notice. The Court confirmed the hearing dates as follows:

- a) 21 November 2011 – Enclosure 10; 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.

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

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

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

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

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

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

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.

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

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

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

On 23 August 2012, ABASS's solicitors 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

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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 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

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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.

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 2014.

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.

On 4 September 2013, the case was fixed for Case Management pending the hearing of SYABAS' leave application to appeal to the Federal Court pertaining to the striking out of the Third Party proceeding against the State Government of Selangor.

During the proceeding, the Court was informed by SYABAS' counsel that the leave application was allowed by the Federal Court on 28 August 2013 and SYABAS has since then filed a Notice of Appeal on 2 September 2013. Having heard this, the learned Judge has ordered for a stay of the present proceeding

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pending the decision of the Federal Court on the appeal proper. The Court then fixed for further Case Management on 28 November 2013.

On 28 November 2013, SYABAS' counsel informed the Court that the Federal Court has fixed the appeal for Case Management on 13 January 2014, pending receipt of the grounds of judgment from the Court of Appeal. Having heard this, the learned Judge has then fixed for further Case Management on 27 January 2014 for parties to update the learned Judge on the status of the said appeal.

On 27 January 2014, SYABAS' counsel informed the Court that the Federal Court has fixed the said appeal for Hearing on 7 April 2014. Having heard this, the learned Judge has then fixed this case for further Case Management on 9 April 2014.

On 9 April 2014 SYABAS' solicitors informed that the hearing of SYABAS's appeal at the Federal Court in regards to the third party proceeding was to be held on the same date. Based on this circumstances, the High Court has then fixed the matter for further case management on 18 April 2014.

On 18 April 2014, the Learned Judge was informed that Abass has received a letter from SYABAS' solicitors informing that the hearing at the Federal Court in relation to the third party proceedings has been further adjourned to 7 July 2014. The Court has then fixed the matter for further case management on 9 July 2014 for parties to update the Court on the outcome of the said hearing.

On 9 July 2014, the case was again fixed for Case Management for parties to update the Court on the status of SYABAS' appeal to the Federal Court pertaining to the striking out of the Third Party proceeding against the State Government of Selangor. During the proceeding, SYABAS' solicitors informed the Court that the hearing fixed on 7 July 2014 at the Federal Court in regard to the said Third Party proceeding had been adjourned to 2 October 2014.

The Court then fixed the matter for further Case Management on 9 October 2014 for the parties to update the Court on the outcome of the said hearing at the Federal Court.

On 9 October 2014, the case was again fixed for Case Management for parties to update the Court on the status of SYABAS' appeal to the Federal Court pertaining to the striking out of the Third Party proceeding against the State Government of Selangor. During the proceeding, the Court was informed that the Federal Court had allowed SYABAS' appeal and as a consequence of which, the State Government of Selangor remains as a third party to this proceeding.

The Court was also informed by the counsel acting for the State Government of Selangor that the issue of SYABAS' *locus standi* by reason of their assignment to CIMB Investment Bank is still pending final determination in a separate suit involving the State Government of Selangor and SYABAS at the Federal Court. The counsel informed that the parties are still at the leave stage at the Federal Court, which is fixed for Case Management on 13 October 2014. Having heard this, the Court has now fixed this matter for further Case Management on 8 December 2014 for parties to update the Court on the status of the said leave application at the Federal Court.

On 8 December 2014, the case was fixed for further Case Management for parties to update the Court on the State Government's leave application at the Federal Court on the issue of locus standi of Syabas following its assignment to CIMB Investment Bank in a separate suit involving the State Government of Selangor and SYABAS.

During the proceeding, the Court was informed that the leave application has been fixed for hearing on 6 January 2015, and that SYABAS has since written to the Federal Court seeking for an adjournment. Having heard this, the Court has now fixed this matter for further Case Management before the learned judge Tuan Harminder Singh Dhaliwal on 18 February 2015.

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During Case Management held on 18 February 2015, the Court was informed that the State Government's leave application to the Federal Court has been fixed for Hearing on 14 April 2015. Having heard this, the Court has fixed this matter for further Case Management on 24 April 2015.

B10 Dividends

- (i) The first interim single-tier dividend of 2 sen per ordinary share amounting to RM9,980,082 in respect of the financial year ending 31 December 2014 was declared on 26 February 2014 and paid on 26 March 2014; and
- (ii) A final single-tier dividend of 2 sen per ordinary share amounting to RM9,980,082 in respect of the financial year ended 31 December 2013 which was approved by the shareholders at the Annual General Meeting of the Company held on 20 June 2014 was paid on 15 August 2014.

B11 Earnings per share

- (a) Basic earnings per share

The basic earnings per share is calculated by dividing the net profit 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 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 31.12.2014	3 Months Ended 31.12.2013	12 Months Ended 31.12.2014	12 Months Ended 31.12.2013
(a) Basic earnings per share				
Net profit/(loss) attributable to owners of the parent (RM'000)				
- continuing operations	32,000	233,076	115,972	278,867
- discontinued operation	-	-	-	(4,690)
Weighted average number of shares in issue ('000)	499,004	499,004	499,004	499,004
Basic EPS (sen)				
- continuing operations	6.4	46.7	23.2	55.9
- discontinued operation	-	-	-	(0.9)
(b) Diluted earnings per share				
Net profit/(loss) attributable to owners of the parent (RM'000)				
- continuing operations	32,000	233,076	115,972	278,867
- discontinued operation	-	-	-	(4,690)
Weighted average number of shares in issue ('000)	499,004	499,004	499,004	499,004
Diluted EPS (sen)				
- continuing operations	6.4	46.7	23.2	55.9
- discontinued operation	-	-	-	(0.9)

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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 31.12.2014 RM'000	As at 31.12.2013 RM'000
The retained profits of the Group:-		
- Realised	(20,451)	23,471
- Unrealised	(52,060)	(48,580)
	<u>(72,511)</u>	<u>(25,109)</u>
Total share of retained profit from associated companies		
- Realised	615,060	471,679
Retained earnings as per financial statements	<u>542,549</u>	<u>446,570</u>

BY ORDER OF THE BOARD

HASHIMAH BINTI HAJI MOHD ISA
Company Secretary

Date: 26 February 2015