



KUMPULAN PERANGSANG SELANGOR BERHAD

*(Company No. 23737-K)
(Incorporated in Malaysia)*

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

KUMPULAN PERANGSANG SELANGOR BERHAD
Company No. 23737 K

A1 Unaudited Condensed Consolidated Income Statement
For the quarter ended 30 September 2015

PARTICULARS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2014 RM'000	CURRENT YEAR TO DATE 30/09/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2014 RM'000
<u>Continuing operations</u>				
Revenue	68,810	76,940	207,126	225,142
Cost of sales	(27,020)	(27,871)	(79,221)	(77,039)
Gross profit	41,790	49,069	127,905	148,103
Other income	9,454	7,241	29,297	28,154
Other expenses	(32,779)	(31,375)	(98,670)	(101,975)
Operating profit	18,465	24,935	58,532	74,282
Finance costs	(22,938)	(21,275)	(68,810)	(76,623)
Share of profit of associates	1,066	25,904	67,885	93,054
(Loss)/profit before tax	(3,407)	29,564	57,607	90,713
Income tax and zakat	(4,190)	(6,415)	(13,835)	(17,858)
(Loss)/profit from continuing operations	(7,597)	23,149	43,772	72,855
<u>Discontinued operation</u>				
(Loss)/profit from discontinued operation, net of tax	(45)	2,170	(1,006)	13,247
(Loss)/profit for the period	(7,642)	25,319	42,766	86,102
(Loss)/profit attributable to owners of the parent:				
- Continuing operations	(8,141)	22,406	41,939	70,885
- Discontinued operation	(44)	2,126	(986)	12,982
	(8,185)	24,532	40,953	83,867
- Non-controlling interests	543	787	1,813	2,235
	(7,642)	25,319	42,766	86,102
(Loss)/earnings per share ("EPS") attributable to owners of the parent:				
Basic EPS (sen)				
- Continuing operations	(1.6)	4.5	8.4	14.2
- Discontinued operation	(0.0)	0.4	(0.2)	2.6
Diluted EPS (sen)				
- Continuing operations	(1.6)	4.5	8.4	14.2
- Discontinued operation	(0.0)	0.4	(0.2)	2.6

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

KUMPULAN PERANGSANG SELANGOR BERHAD
Company No. 23737 K

A2 Unaudited Condensed Consolidated Statement of Comprehensive Income
For the quarter ended 30 September 2015

PARTICULARS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2014 RM'000	CURRENT YEAR TO DATE 30/09/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2014 RM'000
Profit for the period	(7,642)	25,319	42,766	86,102
Other comprehensive income (net of tax)	-	-	-	-
Share of other comprehensive income of associate	-	(33)	-	(33)
Total comprehensive income for the period	(7,642)	25,286	42,766	86,069
Attributable to owners of the parent:				
- Continuing operations	(8,141)	22,373	41,939	70,852
- Discontinued operation	(44)	2,126	(986)	12,982
	(8,185)	24,499	40,953	83,834
- Non-controlling interests	543	787	1,813	2,235
	(7,642)	25,286	42,766	86,069

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

KUMPULAN PERANGSANG SELANGOR BERHAD**Company No. 23737 K****Unaudited Condensed Consolidated Statement of Financial Position****As at 30 September 2015**

	30-Sep-15	Audited
	RM'000	31-Dec-14
		RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	134,632	138,993
Investment properties	6,509	6,573
Investments in associates	997,148	924,463
Club membership	733	733
Concession rights	255,361	267,919
Goodwill on consolidation	119,235	119,235
Concession receivable	219,076	224,467
	<u>1,732,694</u>	<u>1,682,383</u>
Current assets		
Inventories	1,313	1,929
Receivables	964,880	916,096
Tax recoverable	390	1,378
Cash and bank balances	104,324	164,474
	<u>1,070,907</u>	<u>1,083,877</u>
Assets of disposal group classified as held for sale	42,530	42,530
	<u>42,530</u>	<u>42,530</u>
TOTAL ASSETS	<u>2,846,131</u>	<u>2,808,790</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	499,004	499,004
Share premium	39,088	39,088
Other reserves	110,080	110,080
Retained earnings	573,175	552,182
Shareholders' equity	<u>1,221,347</u>	<u>1,200,354</u>
Non-controlling interests	<u>24,360</u>	<u>22,787</u>
TOTAL EQUITY	<u>1,245,707</u>	<u>1,223,141</u>
Non-current liabilities		
Borrowings (interest bearing)	595,539	584,122
Government soft loan	17,665	15,627
Provision for concession liability	212,985	207,887
Accrued lease rental	113,822	108,044
Deferred tax	118,113	121,253
	<u>1,058,124</u>	<u>1,036,933</u>
Current liabilities		
Payables	90,934	109,005
Borrowings	439,097	439,134
Taxation	12,269	577
	<u>542,300</u>	<u>548,716</u>
TOTAL LIABILITIES	<u>1,600,424</u>	<u>1,585,649</u>
TOTAL EQUITY AND LIABILITIES	<u>2,846,131</u>	<u>2,808,790</u>
Net assets per ordinary share attributable to owners of the parent (RM)	2.45	2.41

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

KUMPULAN PERANGSANG SELANGOR BERHAD
Company No. 23737 K

Unaudited Condensed Consolidated Statement of Changes In Equity
For the period ended 30 September 2015

	Attributable to Owners of the Parent								
	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Non Distributable			Distributable		Retained Earnings RM'000	Non- controlling Interests RM'000
Share capital RM'000			Share premium RM'000	Other reserves, total RM'000	Revaluation reserve RM'000	General reserve RM'000			
At 1 January 2015	1,223,141	1,200,354	499,004	39,088	110,080	102,080	8,000	552,182	22,787
Total comprehensive income	42,766	40,953	-	-	-	-	-	40,953	1,813
Transactions with owners:									
Dividend for the financial year ended 31 December 2014	(9,980)	(9,980)	-	-	-	-	-	(9,980)	-
Dividend for the financial year ended 31 December 2015	(9,980)	(9,980)	-	-	-	-	-	(9,980)	-
Dividend of subsidiaries	(240)	-	-	-	-	-	-	-	(240)
	(20,200)	(19,960)	-	-	-	-	-	(19,960)	(240)
At 30 September 2015	1,245,707	1,221,347	499,004	39,088	110,080	102,080	8,000	573,175	24,360
At 1 January 2014	1,126,824	1,104,780	499,004	39,088	110,080	102,080	8,000	456,608	22,044
Total comprehensive income	86,102	83,867	-	-	-	-	-	83,867	2,235
Transactions with owners:									
Dividend for the financial year ended 31 December 2013	(9,980)	(9,980)	-	-	-	-	-	(9,980)	-
Dividend for the financial year ended 31 December 2014	(9,980)	(9,980)	-	-	-	-	-	(9,980)	-
Dividends of subsidiaries	(480)	-	-	-	-	-	-	-	(480)
	(20,440)	(19,960)	-	-	-	-	-	(19,960)	(480)
At 30 September 2014	1,192,486	1,168,687	499,004	39,088	110,080	102,080	8,000	520,515	23,799

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

KUMPULAN PERANGSANG SELANGOR BERHAD
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Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2015

	9 months ended 30-Sep-15 RM'000	9 months ended 30-Sep-14 RM'000
Cash Flows From Operating Activities		
Profit/(loss) before tax and zakat		
- Continuing operations	57,607	90,713
- Discontinued operation	(963)	13,384
Adjustment for non-cash items	(994)	(76,438)
Adjustment for non-operating items	48,522	60,135
Operating profit before working capital changes	104,172	87,794
(Increase)/decrease in working capital:		
Net change in current assets	(73,134)	(50,857)
Net change in current liabilities	4,174	59,384
Cash generated from operating activities	35,212	96,321
Tax and zakat paid, net of refunds received	(4,336)	(5,586)
Net cash generated from operating activities	30,876	90,735
Cash Flows From Investing Activities		
Dividends received	600	6,000
Interest received	302	267
Profit from Islamic short term placement	2,041	3,014
Purchase of property, plant and equipment	(1,740)	(1,163)
Proceeds from disposal of property, plant and equipment	91	135
Net movements in money market deposits	55,305	(5,653)
Proceeds from disposal of an associate company	-	19,000
Investment in associates	(5,400)	(3,000)
Net cash generated from investing activities	51,199	18,600
Cash Flows From Financing Activities		
Dividend paid	(20,200)	(20,440)
Interest paid	(68,721)	(76,607)
Proceeds from government soft loan	2,038	-
Drawdown of borrowings	-	10,000
Repayment of borrowings	(37)	(75,016)
Net cash used in financing activities	(86,920)	(162,063)
Net decrease in cash and cash equivalents	(4,845)	(52,728)
Cash and cash equivalents at 1 January	69,809	202,448
Cash and cash equivalents at 30 September	64,964	149,720
Cash and cash equivalents included in the statement cash flows comprise:		
	As at 30-Sep-15	As at 30-Sep-14
Cash and bank balances	104,324	165,955
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(8,614)	(4,831)
Money market deposits	(30,746)	(11,404)
	64,964	149,720

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

A1 Basis of preparation

The unaudited interim financial statements have been prepared in accordance with FRS 134 Interim Financial Reporting and Chapter 9, Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2014.

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 2014 except for the adoption of the following new and revised Financial Reporting Standards (FRSs) and Amendments to FRSs with effect from 1 January 2015.

A2.1 Adoption of FRSs and Amendments to FRSs

On 1 January 2015, the Group adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 January 2015.

1 July 2014

Amendments to FRSs	Annual Improvements to FRSs 2010-2012 Cycle
Amendments to FRSs	Annual Improvements to FRSs 2011-2013 Cycle
Amendments to FRS 119	Defined Benefit Plans: Employee Contributions

The adoption of the above 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:-

1 January 2016

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRSs	Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception Associate or Joint Venture
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 127	Equity Method in Separate Financial Statements

1 January 2018

FRS 9	Financial Instruments
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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”).

On 7 August 2013, the MASB issued another announcement that Transitioning Entities would only be required to adopt the MFRS framework for the annual periods beginning on or after 1 January 2015. Subsequently, on 2 September 2014, MASB has further announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

On 28 October 2015, the MASB issued another announcement that the Transitioning Entities would only be required to adopt the MFRS Framework for the annual periods beginning on or after 1 January 2018.

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 2018. 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 2015 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 2018.

A3 Audit report of preceding annual financial statements

The audited financial statements for the financial year ended 31 December 2014 were not subject to any audit qualification.

A4 Seasonal or cyclical factors

The Group’s operations are not affected by seasonal or cyclical factors.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that were unusual because of their nature, size or incidence during the current quarter.

A6 Material changes in estimates

There were no material changes in estimates of amounts reported in prior interim period that have a material effect in the period under review.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015**
A7 Debt and equity securities

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

A8 Dividend paid

There was no dividend paid during the current quarter. A 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 2015 was declared on 26 February 2015 and paid on 23 March 2015. 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 2014 which was approved by the shareholders at the Annual General Meeting of the Company held on 24 June 2014 was paid on 21 August 2015.

A9 Segmental Information

	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Segment Revenue				
<u>Continuing Operations:</u>				
Infrastructure and utilities	48,970	55,476	143,275	159,629
Trading	15,638	13,970	46,931	40,617
Hospitality	3,102	4,129	10,056	15,925
Investment holding	1,242	3,565	7,907	16,449
Total revenue including inter-segment sales	68,952	77,140	208,169	232,620
Elimination of inter-segment sales	(142)	(200)	(1,043)	(7,478)
Total Continuing Operations	68,810	76,940	207,126	225,142
<u>Discontinued Operation:</u>				
Golf club and recreational facilities	-	1,654	-	5,030
Total Revenue	68,810	78,594	207,126	230,172
Segment Results				
<u>Continuing operations:</u>				
Infrastructure and utilities *	3,421	32,624	76,213	110,446
Trading	1,475	1,502	5,019	4,631
Hospitality	(1,158)	(3,847)	(6,168)	(8,616)
Oil and gas	524	1,031	930	2,538
Telecommunication	(910)	(1,097)	(3,274)	(3,345)
Investment holding	(6,739)	(827)	(14,523)	(9,200)
Total profit	(3,387)	29,386	58,197	96,454
Eliminations	(20)	178	(590)	(5,741)
Profit before tax, from continuing operations	(3,407)	29,564	57,607	90,713
<u>Discontinued Operation:</u>				
Golf club and recreational facilities	(34)	2,285	(964)	13,384
Total Profit before tax	(3,441)	31,849	56,643	104,097

* Included share of profit of associates.

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

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

A10 Valuation of property, plant and equipment

Property, plant and equipment, other than freehold land are stated at cost less accumulated depreciation and any impairment losses. Freehold land is stated at cost less any impairment losses and is not depreciated. The Group has not carried out any valuation of its property, plant and equipment during the current quarter.

A11 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the reporting period which is likely to substantially affect the results of the operations of the Group other than the matters as disclosed in Note B7 "Status of Corporate Proposals" and Note B9 "Material Litigation" to the unaudited interim financial statements.

A12 Changes in the composition of the Group

Save as disclosed below, there were no other 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 Assets held for disposal

On 6 February 2013, Cash Band (M) Berhad ("CBB"), a 99.98% owned subsidiary of the Company, entered into a Development Agreement ("the Agreement") with Rockbay Streams Sdn Bhd (know known as Setia Eco Templer Sdn Bhd), a wholly-owned subsidiary of SP Setia Berhad, for a mixed development project comprising residential and commercial properties ("the Project").

CBB is the registered and beneficial owner of the following lands:-

- (1) The land held under PN 16838 for lot 614, Pekan Templer, District of Gombak, measuring in the area approximately 56.62 hectares being a leasehold land for ninety-nine (99) years expiring on 26 March 2094;
- (2) The land held under PN 17396 for Lot 11, Pekan Templer, District of Gombak, measuring in area approximately 183,000 square metres being a leasehold land for ninety-nine (99) years expiring on 26 March 2094; and
- (3) The land held under HSM 6815 for Lot PT 11444 Templer Park Resort, Mukim Rawang, District of Gombak, measuring in area approximately 3.954 hectares being a leasehold land for ninety-nine (99) years expiring on 29 December 2095.

The above lands ("said Lands") were formerly used as a golf club with commercial facilities located in Templer Park ("the Perangsang Templer Golf Club"). Perangsang Templer Golf Club had ceased its operations with effect from 1 January 2015 to facilitate the Project.

As at 30 September 2015, the Lands have been presented in the statement of financial position as "Assets classified as held for sale". The results of the golf club and recreational sector has been disclosed as discontinued operation and the comparative statement of comprehensive income has been restated to show the discontinued operation separately from continuing operations.

(ii) Closure of operation of Brisdale Hotel with effect from 15 April 2015 to facilitate refurbishment works to meet future demand.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

A13 Capital Commitments

The amount of commitments not provided for in the unaudited interim financial statements as at 30 September 2015 is as follows:

	RM'000
Approved but not contracted for:	
Property, plant and equipment	30,334
Approved capital expenditure in respect of assets replacement works but not provided for	14,856
	<u>45,190</u>

A14 Significant Related Party Transactions

The following are the related party transactions of the Group for the current quarter under review:-

	RM'000
Sale of goods to a related company:	
- Konsortium Air Selangor Sdn Bhd	241
Management fees received from related companies:	
- Kumpulan Hartanah Selangor Berhad	28
- Konsortium Air Selangor Sdn Bhd	9
- KDEB Waste Management Sdn Bhd	9
- Central Spectrum (M) Sdn Bhd	3
- Hebat Abadi Sdn Bhd	2
Rental income received from immediate holding	
- Kumpulan Darul Ehsan Berhad	32
Rental income received from related companies:	
- Kumpulan Hartanah Selangor Berhad	64
- Konsortium Air Selangor Sdn Bhd	19
- Hebat Abadi Sdn Bhd	17
Management fees paid to immediate holding company:	
- Kumpulan Darul Ehsan Berhad	(1,152)
Management fees received from related companies:	
- Konsortium Air Selangor Sdn Bhd	(34)

A15 Contingent liabilities and contingent assets

The contingent liabilities as at 30 September 2015 are as follows:

	RM'000
i) Secured:	
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	50,636
ii) Working capital and issuance of bank guarantees	28,479
iii) For the warrant guarantee	5,000
ii) Unsecured	
a) Performance guarantees to third parties	669
Total	<u>84,784</u>

There were no contingent assets as at the reporting date.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

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 September 2015, the Group registered revenue of RM68.81 million as compared to RM76.94 million for the corresponding quarter 2014, representing a reduction in revenue by 10.6% or RM8.13 million. The decrease was mainly due to the lower revenue recorded by the infrastructure and utilities; and hospitality sectors by RM6.51 million and RM1.03 million respectively. However, the trading sector registered an improvement in revenue by RM1.67 million.

The Group registered a loss before tax of RM3.41 million for the current quarter as compared to a profit of RM32.19 million for the preceding year corresponding quarter 2014. The significant reduction in profit by RM28.78 million was mainly due to lower share of profits from associated companies of RM1.07 million for the current quarter as compared to corresponding quarter 2014 of RM25.90 million.

Performance of the respective operating business segments for the third quarter ended 30 September 2015 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 reduced by RM6.51 million from RM50.48 million to RM48.97 million. The lower revenue was attributed to lower construction revenue by RM4.82 million and changes in the applied discount rate from 5.70% to 8.36% per annum for the settlement of concession receivable (IC 12) totalling RM2.10 million. However, sales of treated water was higher by RM0.41 million,

The infrastructure and utilities sector registered a lower profit before tax of RM3.42 million as compared to a profit before tax of RM32.62 million in the corresponding quarter 2014. The huge decrease in profit was due to lower share of profits from associated companies by RM24.52 million during the current quarter due to higher impairment loss on trade receivables and impact of IC 12. The impairment loss on trade receivables recorded by our subsidiary for the current quarter was also higher than the preceding year corresponding quarter by RM3.70 million.

2. Trading

The trading sector recorded an increase in revenue by RM1.67 million from RM13.97 million to RM15.64 million due to higher sale of chemical and equipment products. On current quarter against corresponding quarter 2014 comparison, profit before tax for the current quarter was lower by RM0.27 million due to lower gross profit margin.

3. Hospitality

The hospitality sector registered lower revenue of RM3.10 million as compared to the corresponding quarter 2014 of RM4.13 million. The lower revenue was mainly due to the closure of Brisdale Hotel's operations with effect from 15 April 2015. The loss before tax for the hospitality sector for the current quarter was RM1.16 million as compared to a loss of RM3.85 million in the corresponding quarter of 2014.

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4. Oil and gas

For the current quarter, NGC Energy Sdn Bhd has registered a profit after tax of RM1.31 million as compared to a profit of RM2.58 million in the corresponding quarter of 2014. As a result, the Group's share of profit reduced to RM0.52 million as compared to a share of profit of RM1.03 million in the corresponding quarter 2014. The lower profit recorded during the current quarter was mainly to higher fair value adjustment on warrants and administrative costs.

5. Telecommunication

The Group's share of losses for the current quarter was RM0.91 million as compared to a share of loss of RM1.10 million for the corresponding quarter of 2014. The lower loss was due to higher revenue by RM2.29 million as compared to corresponding quarter 2014, higher gross profit margin (Q3 2015 : 6.64% : Q3 2014: 4.61%) coupled with lower marketing and administrative costs.

6. Investment holding

Investment holding recorded revenue of RM1.24 million as compared to RM3.56 million in the corresponding quarter 2014 due to lower management fees charged coupled with lower rental income. This sector recorded a higher loss before tax of RM6.74 million as compared to a loss of RM0.83 million in the corresponding quarter 2014 due mainly due to higher interest cost on borrowings during the current quarter.

Discontinued Operation

1. Golf club and recreational facilities

There was no revenue from the golf club and recreational facilities as compared to RM1.65 million in the preceding year corresponding quarter of 2014 as the club had ceased its operation with effect from 1 January 2015.

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

Continuing Operations

For the nine months ended 30 September 2015, the Group registered revenue of RM208.17 million as compared to RM232.62 million in the corresponding period 2014, representing a decrease in revenue by RM24.45 million or 10%. The decrease was mainly due to lower revenue from infrastructure and utilities sector by RM16.35 million. The hospitality sector also recorded lower revenue by RM5.87 million due to the closure of QHSA and Brisdale Hotel's operations in June 2014 and April 2015 respectively. However, the trading sector registered higher revenue by RM6.31 million.

The Group recorded a profit before tax of RM58.20 million as compared to a profit of RM96.45 million in the corresponding period 2014.

1. Infrastructure and utilities

The revenue for infrastructure and utilities sector decreased by RM16.35 million from RM159.63 million to RM143.28 million for the current period mainly due to lower water production (YTD 2015: 148.267 MGD; YTD 2014: 149.41 MGD) which translated to lower sales of treated water by RM2.86 million, lower construction revenue by RM7.27 million and changes in the applied discount rate from 5.70% to 8.36% per annum for the settlement of concession receivable (IC 12) which has resulted to lower revenue by RM6.22 million.

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The infrastructure and utilities sector recorded a profit before tax of RM76.21 million as compared to a profit before tax of RM110.45 million in corresponding period 2014. The lower profit was attributable to the lower revenue and higher impairment on trade receivables recorded in the current quarter. Share of profits from associates was also lower by RM24.89 million as compared to corresponding period 2014 due to impairment loss on trade receivables and impact of IC12.

2. Trading

For the period ended 30 September 2015, trading sector posted a profit before tax of RM5.02 million on the back of total revenue of RM46.93 million. The current period revenue and profit before tax were higher by RM6.31 million and RM0.39 million respectively due to the higher revenue from the sale of chemical and equipment products.

3. Hospitality

The hospitality sector recorded revenue of RM10.06 million as compared to RM15.93 million in the corresponding period 2014. The lower revenue was due to lower room revenue recorded by Quality Hotel City Centre (RM1.05 million) coupled with no revenue from Brisdale International Hotel Sdn Bhd (RM2.00 million) which had ceased operations with effect from 15 April 2015. No revenue was recorded from Quality Hotel Shah Alam (RM2.82 million) as its operation had ceased with effect from 1 June 2014. The loss before tax for the hospitality sector for the current quarter was RM6.17 million as compared to a loss of RM8.62 million in the corresponding quarter of 2014.

4. Oil and gas

For the current period, NGC Energy Sdn Bhd has registered profit after tax of RM2.36 million which translated into the Group's share of profit of RM0.93 million as compared to share of profit RM2.54 million for the corresponding quarter 2014. The lower profit was due to higher fair value adjustment on warrants and administrative costs.

5. Telecommunication

The Group's share of losses for the current period in Ceres Telecom Sdn Bhd ("Ceres") was RM3.27 million lower by RM0.08 million as compared to a loss of RM3.35 million for the corresponding period 2014.

6. Investment holding

The investment holding sector recorded revenue of RM7.91 million as compared to RM16.45 million in the corresponding period 2014 mainly due to lower dividend income, management fees and rental income. The loss before tax was RM14.52 million as compared to a loss before tax of RM9.20 million in the corresponding period 2014.

Discontinued Operation

1. Golf club and recreational facilities

There was no revenue from the golf club and recreational facilities sector as compared to RM5.03 million in the preceding year corresponding quarter of 2014 as the club had ceased operation with effect from 1 January 2015. The sector recorded a loss of RM0.96 million as compared to a profit of RM13.38 million in the corresponding quarter 2014. The profit recorded in 2014 was mainly due to gain on disposal of an associated company of RM12.83 million.

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B2 Comment on material change in profit before tax

The Group recorded a loss before tax of RM3.41 million for the current quarter ended 30 September 2015 as compared to a profit of RM34.66 million in the previous quarter ended 30 June 2015. The decrease in profit before tax was mainly due to lower share of profit of associates by RM37.70 million as compared to previous quarter.

B3 Commentary on prospects

Continuing Operations

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.

On 23 June 2014, the Company had accepted an offer from KDEB via its letter dated 20 June 2014 in relation to the proposed disposal of 90.83% equity interest in Titisan Modal (M) Sdn Bhd ("TMSB") to Pengurusan Air Selangor Sdn Bhd ("Air Selangor"), a wholly-owned subsidiary of Kumpulan Darul Ehsan Berhad for a consideration of RM78.054 million ("Proposed Disposal").

Subsequent to the memorandum of understanding and heads of agreement entered into between the Selangor State Government and the Federal Government on 26 February 2014 and 1 August 2014 respectively for purposes of the Proposed Water Restructuring, the Federal Government, the Selangor State Government, Pengurusan Aset Air Berhad ("PAAB") and Air Selangor had on 12 September 2014 entered into a master agreement to transfer certain water supply assets from Air Selangor to PAAB ("Master Agreement"). Subsequently, on 22 September 2014, Air Selangor entered into an asset transfer agreement with the Selangor State Government to transfer the water supply related assets from the Selangor State Government to Air Selangor. On 10 July 2015, the Selangor State Government and the Federal Government executed a supplemental agreement to the Master Agreement. As reported on 8 September 2015, the Selangor State Government and the Federal Government signed the facilities agreement, lease agreement, settlement agreement and rights of use agreement which are conditions to effect the Master Agreement.

On 22 October 2015, the Company had executed the Share Purchase Agreement ("SPA") with Air Selangor in relation to the Proposed Disposal. The SPA is conditional upon, amongst others, the approval of the shareholders of the Company at an extraordinary general meeting ("EGM") to be convened on 9 December 2015.

Barring unforeseen circumstances and 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 and Brisdale Hotel, 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. Oil and gas

Future outlook for the oil and gas sector will be challenging due to the continuous drop in contract price and weaker Ringgit Malaysia against the US Dollar. However, the Group remains confident in the long-term prospects of the oil and gas sector as the Group expects an increase in demand for liquefied petroleum gas in the domestic and commercial sectors over the next few years.

5. Telecommunication

For the telecommunication sector, Ceres Telecom Sdn Bhd ("Ceres"), a 34.35% associated company, is currently pursuing several initiatives to streamline its business and improve its financial performance; refocusing of its market segment, introducing new products, extending its network of distributors and the launch of the B-Brands segment. Efforts are continuously being pursued in order to ensure that Ceres contributes positively to the results of the Group in the future.

Discontinued Operation

1. Golf club and recreational activities

Cash Band (M) Berhad ("CBB") a 99.98% owned subsidiary of the Company, had on 6 February 2013 entered into a Development Agreement with Rockbay Streams Sdn Bhd (now 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"). CBB had ceased the operations of Perangsang Templer Golf Club in January 2015 to facilitate the Project. The Project is expected to contribute positively to the future earnings of the Group.

B4 Profit forecast and profit guarantee

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

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B5 Other operating income/(expenses)

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

	3 months ended		9 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Notional income on unwinding of discounting of:				
- concession receivables	4,748	2,726	14,089	8,087
- imputed interest income	2,620	3,395	7,861	10,187
- loan and receivables	1,255	1,701	3,767	5,103
Profit from Islamic short term placement	368	1,152	2,041	3,014
Interest income - fixed deposit	97	113	302	267
(Loss)/gain on disposal:				
- property, plant and equipment	10	100	(44)	144
Property, plant and equipment written off	-	-	(40)	-
(Loss)/gain on foreign exchange	(28)	2	(41)	4
Finance costs	(22,938)	(21,275)	(68,810)	(76,632)
Depreciation of property, plant and equipment	(1,984)	(2,407)	(5,910)	(7,353)
Depreciation of investment properties	(22)	(21)	(65)	(64)
Amortisation of intangible assets	-	(487)	-	(1,443)
Amortisation of concession rights	(4,187)	(4,186)	(12,559)	(12,558)
Impairment loss on trade receivables	(16,413)	(12,718)	(48,248)	(41,086)

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

	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations:</u>				
Current tax position	5,219	7,256	16,667	21,032
Deferred tax transfer to balance sheet	(1,047)	(1,172)	(3,140)	(3,516)
Income tax expense	4,172	6,084	13,527	17,516
Zakat expense	18	331	308	342
Income tax and zakat expense	4,190	6,415	13,835	17,858
<u>Discontinued operation:</u>				
Income tax expense	-	115	-	137
Zakat expense	11	-	42	-
Income tax and zakat expense	11	115	42	137
Total Income tax and zakat expense	4,201	6,530	13,877	17,995

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

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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 (34%) 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 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 under Phase 2 is subject to the launch of its Virgin Mobile brand.

On 16 June 2015, the Board of Directors of the Company (save for YM Raja Dato' Haji Idris Raja Kamarudin who is deemed interested in the subscription of the right issues by virtue of him being interested party in Ceres Telecom) had approved Perangsang Telco to subscribe an additional 1.8 million new ordinary shares of RM1.00 each which was not subscribed by the other shareholders of Ceres Telecom. Consequently, the equity stake of Perangsang Telco in Ceres Telecom has increased from 30% to 34.35%.

- (ii) Proposed joint venture between Cash Band (M) Berhad, a 99.98% owned subsidiary of Perangsang Selangor, with Setia Eco Templer Sdn Bhd (formerly known as Rockbay Streams Sdn Bhd), a wholly-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 (now known as Setia Eco Templer Sdn Bhd), a wholly-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 disposal of 90.83% equity interest in Titisian Modal (M) Sdn Bhd ("TMSB") to Pengurusan Air Selangor Sdn Bhd ("Air Selangor"), a wholly-owned subsidiary of Kumpulan Darul Ehsan Berhad ("KDEB") for a disposal consideration of RM78.054 million ("Proposed Disposal")

On 23 June 2014, the Company announced that it had received an offer from KDEB via its letter dated 20 June 2014 in relation to the Proposed Disposal and the Board (save for YM Raja Dato' Idris Raja Kamarudin and Encik Suhaimi Kamaralzaman who are both deemed interested parties in the Proposed Disposal) has resolved to accept the offer from KDEB.

On 22 October 2015, the Company had executed the Share Purchase Agreement ("SPA") with Air Selangor in relation to the Proposed Disposal. The SPA is conditional upon, amongst others, the approval of the shareholders of the Company at an extraordinary general meeting ("EGM") to be convened on 9 December 2015.

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B8 Borrowings

The Group borrowings as at 30 September 2015 and all denominated in local currency are as follows:

	RM'000
Short term borrowings	
Secured	439,097
Long term borrowings	
Secured	595,539
Total Borrowings	<u>1,034,636</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 be issuing Third Party proceedings against the Selangor State Government. The Court has fixed 30 May 2011 for the next case management.

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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 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 Berhad (as Security Agent for Acqua SPV Sdn. Bhd), ABASS had absolutely and irrevocably assigned its right to

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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.

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 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.

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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 13 February 2015 pending the outcome of the said leave application at the Federal Court.

However, the case has since been rescheduled for Case Management on 18 February 2015. On 18 February 2015, the Court was informed that the leave application has been fixed for Hearing on 14 April 2015. Having heard the above, the Court has now fixed this matter for further Case Management on 24 April 2015.

On 24 April 2015, the Court was informed that the hearing of the leave application at the Federal Court on 14 April 2015 was adjourned as parties have yet to receive the Grounds of Judgement from the Court of Appeal. Having heard the above, the Court has now fixed this matter for further Case Management on 29 June 2015.

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On 29 June 2015, this case was fixed for Case Management for parties to update the Court on the status of 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.

In the proceeding, the Court was informed that the leave application at the Federal Court is now fixed for Case Management on 21 September 2015. Having heard the above, the Court has now fixed this matter for further Case Management on 1 October 2015.

During the Case Management on 1 October 2015, the Court was informed by the SYABAS counsel that during the Case Management held on 21 September 2015, the Federal Court had fixed the State Government's leave application for Case Management on 30 November 2015, pending receipt of the grounds of judgment from the Court of Appeal.

Having heard the above, the Court has now fixed this matter for further Case Management on 1 December 2015 for parties to update the Court on the status of the State Government's leave application at the Federal Court.

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 2015 was declared on 26 February 2015 and paid on 23 March 2015; 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 2014 which was approved by the shareholders at the Annual General Meeting of the Company held on 24 June 2014 was paid on 21 August 2015.

B11 (Loss)/earnings per share

Basic (loss)/earnings per share

The basic (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to owners of the parent by the weighted average number of shares in issue.

	3 Months Ended 30.09.2015	3 Months Ended 30.09.2014	9 Months Ended 30.09.2015	9 Months Ended 30.09.2014
Basic (loss)/earnings per share				
Net profit/(loss) attributable to owners of the parent (RM'000)				
- Continuing operations	(8,141)	22,406	41,939	70,885
- Discontinued operation	(44)	2,126	(986)	12,982
Weighted average number of shares in issue ('000)	499,004	499,004	499,004	499,004
Basic EPS (sen)				
- Continuing operations	(1.63)	4.49	8.40	14.21
- Discontinued operation	(0.01)	0.43	(0.20)	2.60

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B12 Realised and unrealised profits or losses disclosures

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

	As at 30.09.2015 RM'000	As at 31.12.2014 RM'000
The accumulated losses of the Company and its subsidiaries:-		
- Realised	(38,080)	(6,099)
- Unrealised	(56,748)	(56,749)
	<u>(94,828)</u>	<u>(62,848)</u>
Add:		
Total share of retained profits from associates		
- Realised	668,003	615,030
Retained earnings as per financial statements	<u>573,175</u>	<u>552,182</u>

BY ORDER OF THE BOARD

HASHIMAH BINTI HAJI MOHD ISA
Company Secretary

Date: 26 November 2015