

## KUMPULAN HARTANAH SELANGOR BERHAD

Company No. 559747-W  
(Incorporated in Malaysia)

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30<sup>th</sup> SEPTEMBER 2011

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#### A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

##### A1 Basis of Preparation

The unaudited condensed interim financial statements of the Group have been prepared in accordance with the requirement of Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" issued by Malaysian Accounting Standard Board ("MASB") and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements.

The unaudited condensed interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2010.

##### A2 Changes in Accounting Policies

The accounting policies, method of computation and basis of consolidation applied in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2010 except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and Issue Committee Interpretations ("IC Interpretations") with effect from 1 January 2011.

On 1 January 2011, The Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011.

FRS 1	First-time adoption of financial reporting standards
FRS 3	Business Combinations (revised)
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether An Agreement Contains a Lease
IC Interpretation 17	Distribution of non-cash assets to owners
IC Interpretation 18	Transfers of assets from customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Improvement to FRSs issued in 2010	

IC Interpretation 16 Hedges of a Net Investment in a foreign Operation will also be effective for annual periods beginning on or after 1 January 2011. These FRS are, however, not applicable to the Group or the Company.

The adoption of the above FRS, Amendments to FRS and IC Interpretations did not have any effect on the financial performance or position of the Group and the Company.

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At the date of authorisation of these interim financial statements, the following FRSs and IC Interpretations were in issue but not yet effective and have not been applied by the Group and the Company:

		Effective for financial year beginning on or after
FRS 124	Related Party Disclosure	1 January 2012
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012

**A3 Audit report on preceding annual financial statements**

The audited financial statements for the financial year ended 31 December 2010 were not subject to any audit qualification.

**A4 Seasonal or cyclical factors**

The Group's operations were not materially affected by seasonal or cyclical factors.

**A5 Unusual items affecting assets, liabilities, equity, net income or cashflows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the period under review.

**A6 Material changes in estimates**

There were no material changes in estimates of amounts reported in prior interim periods in the current financial year or previous financial years that have material effect in the period under review.

**A7 Changes in equity and long term debts**

There were no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, repurchase, resale and repayment of debt and equity securities during the period under review.

**A8 Dividend paid**

There was no dividend paid during the period under review.

**A9 Segment information**

No segmental reporting is presented as the Group is operating principally in one industry and within the country.

**A10 Property, plant and equipment**

Valuation of property, plant and equipment have been brought forward without any amendments from the previous annual audited financial statements.

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**A11 Material events subsequent to the end of the interim period**

There were no other material events subsequent to the end of the current financial quarter ended 30<sup>th</sup> September 2011 up to the date of this report which, is likely to substantially affect the results of the operations of the Group other than the matters as disclosed in Note B11 "Material Litigation" to this interim financial statements.

**A12 Changes in the composition of the Group**

There were no changes in the composition of the Group during the period under review.

**A13 Contingent liabilities**

The contingent liabilities as at 30<sup>th</sup> September 2011 are as follows:

<b>a) Secured</b>	<b>RM'000</b>
Foreclosure proceedings taken by a financial institution in respect of a third party charge granted by a subsidiary company on a piece of land	47,354
<b>b) Unsecured</b>	
Other claims filed against the Group	2,514

**c)** On 16 February 2004, a third party filed an action alleging that a subsidiary's termination of the joint venture agreement and the agreements ancillary thereto ("JVA") due to the third party's breach of four fundamental conditions of the JVA was wrongful and claimed for the transfer of the ownership of the said land to the third party, damages to be assessed and the loss of profits of approximately RM350 million. The subsidiary has filed its defence and made a counter-claim on 17 March 2004, against the third party for the said four fundamental breaches of the JVA by the third party and claiming amongst others, for the return of vacant possession of the said land, damages in the sum totaling to approximately RM399 million and an indemnity against all claims in the foreclosure proceedings as stated in (a) above. Further development of the case is disclosed under Section B11, B6.

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**A14 Employee Share Option Scheme ("ESOS")**

The Kumpulan Hartanah Selangor Berhad's Employee Share Option Scheme ("KHSB ESOS") is governed by the bye-laws which were approved by the shareholders at the Extraordinary General Meeting on 15 June 2004. The Company implemented KHSB ESOS in 2005 and is to be in force for a period of 5 years subject however, to an extension at the discretion of the Option Committee for a period up to 5 years commencing from the date of expiration of the original 5 years period. The Option Committee has approved to the extension of KHSB ESOS scheme tenure for another 5 years expiring on 27 December 2015.

The main features of the ESOS are as follows:

- The total number of ordinary shares to be issued by the Company under the ESOS shall not exceed 15% of the total issued and paid-up ordinary shares of the Company, such that not more than 50% of the shares available under the ESOS is allocated, in aggregate, to Directors and senior management.
- Not more than 10% of the shares available under the ESOS is allocated to any individual Director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company.
- Any Director (both executive and non-executive Directors) of the KHSB Group (other than a company within the Group which is dormant) or an employee of the KHSB Group who is employed full time and is on the payroll of the KHSB Group (other than a company within the Group which is dormant), but does not include employees under probation, are eligible to participate in the scheme, subject to the final decision of the Options Committee.
- The option price under the ESOS is the average of the mean market quotation of the shares of the Company as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad, for the five market days preceding the offer date, or the par value of the shares of the Company of RM1, whichever is the higher.
- The options granted are exercisable from the date of grant and have a contractual option term of five years.
- Options granted under the ESOS carry no dividend or voting rights. Upon exercise of the options, shares issued rank pari passu in all respects with existing ordinary shares of the Company.

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

Grant date	Expiry Date	Exercise Price RM	No of Share Options				30.09.2011 '000
			1.1.2011 '000	Granted '000	Terminated '000	Exercised '000	
28.12.05	27.12.15	1.00	31,342	-	(356)	-	30,986
05.01.08	27.12.15	1.00	<u>1,427</u> 32,769	<u>-</u> -	<u>(75)</u> (431)	<u>-</u> -	<u>1,352</u> 32,338

No options were exercised during the financial period.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES  
BERHAD LISTING REQUIREMENTS****B1 Review of performance**

For the current quarter under review, the group revenue is RM10.96 million which is higher by RM2.35 million compared to RM8.61 million in the corresponding quarter 2010 mainly due to higher contribution from property development projects. The Group profit before tax for the current quarter under review is RM20.38 million compared to loss before tax of RM5.90 million in the corresponding quarter 2010.

**B2 Comment on material change in profit before tax**

Group revenue for the current quarter of RM10.96 million decreased by 72% compared to RM39.10 million recorded in the previous quarter. The Group recorded a profit before tax of RM20.38 million in the current quarter as compared to profit before tax of RM5.03 million in the previous quarter.

**B3 Commentary on prospects**

Whilst the Group continues to address the challenging issues from previous property development and joint venture projects, the Group will simultaneously pursue property development projects on its existing land banks for the purpose of improving its results moving forward.

**B4 Profit forecast and profit guarantee**

No profit forecast or profit guarantee were issued for this financial period.

**B5 Income tax and zakat expense**

	<b>Current year to-date 30-09-2011 RM'000</b>
Current tax position	7,414
Deferred tax transfer from balance sheet	<u>(2,385)</u>
Income tax expense	5,029
Zakat expense	<u>110</u>
Income tax and zakat expense	<b><u>5,139</u></b>

The group tax charge in the current financial period reflects an effective rate which is higher than statutory tax rate as certain expenses are not deductible in subsidiary companies in the Group.

**B6 Unquoted investment and properties**

There were no disposal of unquoted investments and properties during this financial period.

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**B7 Quoted securities**

There were no purchases or sales of quoted securities for this financial period.

**B8 Status of corporate proposals**

There were no changes in the status of corporate proposals of the Group at the date of this unaudited interim financial statements.

**B9 Borrowings and debt securities**

The Group borrowings as at 30<sup>th</sup> September 2011, all denominated in local currency are as follows :-

	<b>Total</b> RM'000
<b>Short Term Borrowings :</b>	
<b>Secured</b>	48,166
<b>Unsecured</b>	28,842
	<hr/> 77,008 <hr/>
	<b>Total</b> RM'000
<b>Long Term Borrowings :</b>	
<b>Secured</b>	146,521
<b>Unsecured</b>	-
	<hr/> 146,521 <hr/>
Total Borrowings	<b><u>223,529</u></b>

**B10 Off balance sheet financial instruments**

There were no off balance sheet risks as at the date of this report that might materially affect the position or business of the Group.

**B11 Material litigation**

Save as disclosed below, as at the date of this Circular, neither KHSB nor its subsidiary companies are involved in any material litigation, claim or arbitration either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings, pending or threatened against KHSB 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 KHSB or its subsidiary companies.

**A. Cases where KHSB and its group of companies is/are the Plaintiff(s)**

1. SAP Holdings Berhad ("SAP") filed an action against PAG Mampu Jaya Sdn Bhd ("PAG") vide Kuala Lumpur High Court Summons No. D2-22-1075-05 claiming the sum of RM15.93 million together with

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general damages for loss of profit, interest and cost for breach of a Joint Venture Agreement between SAP and PAG. Summary judgment was obtained in favour of SAP on 12 February 2007. Due to failure by PAG to honor the aforesaid judgment, SAP filed a winding up proceeding against PAG. Pursuant to the Winding-Up Order made on 20 May 2008, the OA was appointed as the liquidator for PAG. SAP filed proof of debt on 16 July 2009 for a total amount of RM20,342,391.78 consisted of the judgment sum of RM15,930,000 and interests of RM4,412,391.78.

The matter is still under the OA's action on the same.

2. Central Spectrum (M) Sdn Bhd ("CSSB") filed an appeal against Pentadbir Tanah Daerah Klang ("PTDK")'s decision in respect of quantum & measurement of land acquisition for Lots 74072, 74073, 74074 and 74075 [No. Hakmilik: PN 7941, 7940, 7939 and 7938] at vide Shah Alam High Court Summons No. MT3-15-686-2004 ("KTM 1"). On 24 December 2010 the High Court upheld the Award made by PTDK of RM2,664,364.00.

On 14 January 2011 CSSB filed Notice of Appeal against the High Court's decision vide Civil Appeal No. B-01-57-11 and on 15 April 2011 CSSB filed the Record of Appeal for the same.

The case management is set on 6 December 2011.

3. Central Spectrum (M) Sdn Bhd (CSSB) filed another appeal against Pentadbir Tanah Daerah Klang (PTDK)'s decision in respect of quantum & measurement of land acquisition for Lots 74076, 74077, 74078, 74079 and 10490 [No. Hakmilik: PN 7937, 7936, 7935, 7934 and 12229] vide Shah Alam High Court Summons No. RT-MT1-15-88-2005 ("KTM 2"). PTDK has awarded RM4,535,114.00.

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

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

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

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

On 14 January 2011, CSSB filed Notice of Appeal against High Court's decision vide Civil Appeal No. B-01-64-11 and on 15 April 2011 CSSB filed the Record of Appeal for the same.

The Case Management is set on 6 December 2011.

4. Central Spectrum (M) Sdn Bhd. (CSSB) filed an action against Pentadbir Tanah Daerah Klang (PTDK)'s decision in respect of land acquisition for South Klang Valley Express Way (SKVE) for lots 74082, 74088, 74087 and PT 79492 (No. Hak Milik: PN 7942, PN 7925, PN 7926 and HSD 67045) at Shah Alam High Court Summons No. MT4-15-110-2009. PTDK awarded RM54,633,959.22.

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

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

The Court has yet to fix the Hearing Date.

5. SAP Holdings Berhad ("SAP") filed an Originating Summons against Messrs Arbain & Co ("MAC") on 27 July 2011 disputing the claim made by MAC amounting to RM4,711,453.00 for the outstanding legal fees pursuant to the Notice of Section 218 of the Companies Act 1965 dated 1 August 2011 served by MAC on SAP 10 August 2011. SAP has referred the bill for further direction from the Court. On 25 August 2011, SAP filed for an injunction against MAC from commencing the winding-up proceedings and SAP was granted the Ex-Parte Injunction (pending hearing of inter-partes) on 26 August 2011. The case is fixed for case management on 7 September 2011 and the inter-partes hearing is fixed on 15 September 2011. On 15 September 2011, SAP obtained an Ad Interim Injunction. The next case management has been fixed on 22 December 2011 and the tentative date for Hearing of SAP's application for inter-partes interlocutory injunction has been fixed on 13 January 2012.

#### **B. Cases wherein KHSB and its group of companies is/are the Defendant(s)**

1. Upright Dignity Sdn Bhd ("UDSB") instituted an action for specific performance and other consequential relief and in the alternative, refund of all monies paid by UDSB to DHSB totaling RM7,228,000.00 with interest at 8% per annum, as well as damages for breach of contract against Perbadanan Kemajuan Pertanian Selangor ("PKPS"), SAP Holdings Berhad ("SAP") and Desa Hilir Sdn Bhd ("DHSB") [collectively referred as the Defendants] at the Shah Alam High Court vide Civil Suit No. MT4-21-60-2000 purportedly in relation to a Sale and Purchase Agreement dated 24 April 2000 ("Purported SPA") entered into between DHSB (as attorney for PKPS & SAP) and UDSB in respect of a piece of land held under H.S.(D) 1426 P.T. No. 4466 Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, measuring approximately 556.482 acres ("Dengkil Land") of which PKPS was the registered proprietor.

The Court has dismissed the case against PKPS and SAP with costs and has allowed the case against DHSB. UDSB had filed an appeal against the High Court decision.

No hearing date has been fixed yet for the appeal.

2. Menara Setia Sdn Bhd ("MSSB") initiated an action against SAP Ulu Yam Sdn Bhd ("SUJ"), an indirect subsidiary of KHSB vide Kuala Lumpur High Court Suit No. D3-22-2111-2002 claiming for the sum of RM1,893,200.14 together with all cost and interest thereon at the rate of eight (8%) per cent per annum from 22 April 1998 to the date of settlement for the amount allegedly due for the earthworks undertaken by MSSB for Ulu Yam Heights Development.

The Court had on 28 October 2009 found that MSSB had not proven its claim and accordingly dismissed the same with costs. MSSB has filed notice of appeal.

No hearing date has been fixed yet for the appeal.

3. Mazli Mohamed, a former employee of Central Holdings Management Services Sdn Bhd ("CHMS") (a subsidiary company of SAP) who resigned from CHMS instituted proceedings against SAP Holdings Berhad ("SAP") vide Industrial Court Suit No. 7/4-480/98 seeking reinstatement to his former job as a

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General Manager in CHMS or in the alternative, compensation for purported wrongful dismissal alleging that his resignation notice was an involuntary act.

CHMS solicitor is of a view that the Claimant's dismissal can be justified on grounds of criminal breach of trust. However, in the event that the Court awards judgment in favour of the Claimant, the quantum of damages is estimated at RM300,000 excluding interests and costs.

We matter is now being mention before a new Chairman of the Industrial Court as previously we filed for judicial review at the High Court of Kuala Lumpur against the previous Chairman's conduct disallowing us to cross-examine the Claimant.

The matter is now pending decision from the Industrial Court Judge.

4. CGE Construction Sdn Bhd ("CGE") has filed an action against SAP Air Hitam Properties Sdn Bhd ("SAP") on 20.04.2006 vide Shah Alam Civil Suit No. MT4-22-434-2006 alleging that SAP owes CGE the sum of RM4,116,506.20 together with cost and interest at the rate of 8% per annum from 20.04.2006 to the date of realisation, purportedly being balance payment for work done for a project known as "Proposed site clearance, earthworks, drainage, main road works and final layer to internal roads and related works to the proposed residential commercial and recreational development at Lestari Perdana, Mukim Petaling, Daerah Petaling Selangor" (the "Project").

SAP filed application for Stay of Proceeding before the Court pending arbitration as provided under the Conditions of Contact for the Project and the same was allowed by the Senior Assistant Registrar and upheld by the High Court. CGE filed their appeal to the Court of Appeal against the High Court decision.

Hearing for the CGE's appeal against SAP's stay order pending arbitration has been fixed on 20 October 2011. However, on 20 October 2010, the court has dismissed the appeal with costs as the Record of Appeal was not in order.

5. AmFinance Berhad [now known as AmBank (M) Berhad] ("AMF") has instituted foreclosure proceedings against SAP Holdings Berhad ("SAP") vide Shah Alam High Court Originating Summons No. MT1-24-1770-2002 in respect of a piece of land held under H.S.(D) 20034 PT No. 26549, Mukim Batu, Daerah Gombak ("Gombak Land"). SAP, the registered proprietor of the Gombak Land, created a third party charge over the Gombak Land in favour of AMF as security for the loan facility of RM17.0 million granted by AMF to Cergas Tegas Sdn Bhd ("CTSB").

CTSB's application to intervene in the foreclosure proceeding was dismissed on 19 October 2009. SAP had filed its written submission on 4 November 2010 and the case is fixed for decision on 10 November 2010.

The Court has allowed AMF's application for an Order for Sale of the Gombak Land with cost of RM1,500. The Court further fixed 24 January 2011 as the auction date of the Gombak Land.

We have filed our notice of appeal against the decision and 29 March 2011 is fixed for hearing for the Summons for Directions in respect of the Order for Sale of the Gombak Land.

We filed our application for Stay of Execution on 23 March 2011 and on the Hearing date for the said application on 25 March 2011, the Court had granted an Interim Stay pending both parties filing their submission before the Court by 19 May 2011 and the Court shall give its decision on the same on 26 May 2011.

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On the hearing date for the Summons for Direction in respect of the Order for Sale, ie 29 March 2011, the Court has directed for both parties to file their submission in relation to the Summons in Chambers filed by Cergas Tegas Sdn Bhd to set aside the Order for Sale and substitution of SAP as Defendant in the said suit by 29 April 2011 and the Court shall give its decision on the same on 5 May 2011 and consequently the Court has extended the date for both parties to file their submission on 15 June 2011.

On 26 May 2011, the Court has fixed 6 July 2011 as the date for decision in respect to our application for Stay of Execution.

On 6 July 2011, the Court had allowed our application for Stay of Execution pending appeal.

On 2 August 2011, the Court has fixed 13 September 2011 for decision and the parties are required to submit all cause papers and written submission by 6 September 2011. On 13 September 2011, the Court further fixed the case management for CTSB's application to set aside the Order for Sale on 30 November 2011.

6. Cergas Tegas Sdn Bhd ("CTSB") filed an action vide Kuala Lumpur High Court No. S2-22-185-2004 against SAP Holdings Berhad ("SAP") and Star Everest Sdn Bhd ("SESB") alleging unlawful termination by SAP of the joint venture agreement and the agreements ancillary thereto ("JVA") and seeking damages to be assessed and the purported loss of profits of approximately RM350.0 million.

SAP has filed its defence and made a counterclaim of RM399 million against CTSB and all claims in the foreclosure proceedings.

Both parties are in the midst of negotiating for possible out of Court settlement and 17 June 2011 is fixed for both parties to record settlement before the Court.

We went for trial on 5 July 2011 and 29 July 2011 is fixed for decision.

On 4 August 2011, it was held by the Court as follows:

- i) The Court dismissed both the Suits filed by CTSB with costs;
- ii) SAP is the legal and beneficial owner of the Land by way of declaration granted by the Court;
- iii) The Court granted an injunction to compel CTSB, whether by itself or by its servant or agents or otherwise howsoever to deliver up vacant possession of the Land to SAP within fourteen (14) days from the date of the order made;
- iv) The Court granted an injunction to restrain CTSB, whether by itself or by its servants or agents or otherwise howsoever from entering into and/or using the Land;
- v) The damages claimed by SAP shall be assessed by the Registrar together with interest to be paid on the assessed amount at 4% per annum from the date of the Summons to the date of the Judgment (i.e. 4 August 2011) and at the rate of 8% per annum from the date of the Judgment until date of full settlement;
- vi) Costs to be paid by CTSB to SAP as follows:-
  - a) RM40,000.00 for Summons 1;
  - b) RM10,000.00 for Summons 2;
  - c) RM10,000.00 for Injunction in respect of Summons 1; and

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d) RM10,000.00 for Injunction in respect of Summons 2.

vii) The Court further granted liberty to SAP to commence action for any damages suffered as a result of the injunction taken by CTSB against SAP.

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

On 16 August 2011, CTSB filed Summons in Chambers for stay of execution which is fixed for Hearing on 25 August 2011. The next case management has been fixed on 11 January 2012.

7. Pembinaan Juta Mekar Sdn Bhd ("PJM") filed an action against SAP Holdings Berhad ("SAP") and Templer Park Golf Resort Berhad ("TPGR") on 18.04.2008 vide Shah Alam High Court Civil Suit No. MT3-22-617-2008 alleging that SAP and TPGR owe PJM the sum of RM10,270,351.28 purportedly being payment for the proposed construction and completion of townhouse for Phase 3A and proposed construction and completion of double storey terrace house for Phase 3B.

SAP's solicitors are of the opinion that PJM does not have a strong case against SAP and TPGR as there was no contractual relationship between PJM, SAP Holdings and TPGR and thus, we have filed application to strike out the said action. The hearing for summary judgment filed by PJM shall only be heard after the hearing for striking out application by SAP & TPGR.

The case has been fixed for Full Trial on 16 February 2012 and 17 February 2012.

8. Star Everest Sdn Bhd ("SESB") filed an action in the Kuala Lumpur High Court Suit No. 22NCVC-1066-11/2011 vide a Writ of Summons and Statement of Claim dated 1 November 2011 against SAP for breach of a "Development Agreement", "Business Alliance Cum Authorisation Agreement", "Forward Entitlement Agreement", "Takeover Liabilities Agreement" and "Power of Attorney" all dated 21.2.2004 ("the Agreements") in relation to the development of a piece of land held under HS(D) 20034, PT No. 26549, Mukim Batu, Daerah Gombak, Negeri Selangor Darul Ehsan measuring approximately 234.187 acres ("the said Land"). SESB are alleging that SAP has breached the Agreements by wrongful termination.

The case has been fixed for hearing on 2 December 2011.

#### **B12 Dividends**

No dividend has been recommended or declared for this financial period.

#### **B13 Earnings per share**

The basic earnings per share of the Group for the current quarter of 3.16 sen is calculated based on consolidated profit attributable to the owner of the parent of RM14.23 million and number of ordinary shares in the financial year of 450 million.

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**B14 Realised and unrealised profits/losses disclosures**

The breakdown of accumulated losses of the Group as at 30 September 2011, into realised and unrealised losses are as follows:

	As at 30/09/2011 RM'000	As at 31/12/2010 RM'000
Total accumulated losses of the Group:-		
- Realised	(369,704)	(336,256)
- Unrealised	(24,182)	(26,567)
Total Group accumulated losses as per consolidated accounts	<u><b>(393,886)</b></u>	<u><b>(362,823)</b></u>

**BY ORDER OF THE BOARD**

**MAZIYAH MOHD ZIN**  
**JOINT COMPANY SECRETARY**

Date: 25 November 2011

**Kelulusan Pengumuman :**

Keputusan Kewangan Bagi Suku Ketiga Berakhir 30hb September 2011 ini diluluskan untuk pembentangan kepada Lembaga Pengarah dan Jawatankuasa Audit dan seterusnya pengumuman kepada Bursa Malaysia Securities Berhad.

**Zannifa Azura Ahmad**  
**Pengurus Kanan - Kewangan**

Tarikh: 25 November 2011