

KUMPULAN PERANGSANG SELANGOR BERHAD
Company No. 23737 K

A1 Unaudited Condensed Consolidated Income Statement
For the quarter ended 31 March 2012

PARTICULARS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2011 RM'000	CURRENT YEAR TO DATE 31/03/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2011 RM'000
Revenue	74,996	112,607	74,996	112,607
Cost of sales	(29,295)	(52,496)	(29,295)	(52,496)
Gross profit	45,701	60,111	45,701	60,111
Other income	12,524	8,867	12,524	8,867
Other expenses	(29,706)	(75,413)	(29,706)	(75,413)
Operating profit/(loss)	28,519	(6,435)	28,519	(6,435)
Finance costs	(26,809)	(27,532)	(26,809)	(27,532)
Share of profit of associates	26,113	24,657	26,113	24,657
Profit/(loss) before tax	27,823	(9,310)	27,823	(9,310)
Income tax and zakat	(9,352)	(10,926)	(9,352)	(10,926)
Profit/(loss) for the period	18,471	(20,236)	18,471	(20,236)
Attributable to:				
- Owners of the parent	19,754	(3,678)	19,754	(3,678)
- Non-controlling interests	(1,283)	(16,558)	(1,283)	(16,558)
	18,471	(20,236)	18,471	(20,236)
Earnings/(loss) per share attributable to owners of the parent:				
Basic EPS (sen)	4.1	(0.8)	4.1	(0.8)
Diluted EPS (sen)	4.1	(0.8)	4.1	(0.8)

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011 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 31 March 2012

PARTICULARS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2011 RM'000	CURRENT YEAR TO DATE 31/03/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2011 RM'000
Profit/(loss) for the period	18,471	(20,236)	18,471	(20,236)
Other comprehensive income (net of tax):-				
Loss in fair value of available-for-sale financial assets	(162)	(1,984)	(162)	(1,984)
Share of other comprehensive income of associates	(773)	12	(773)	12
	<u>(935)</u>	<u>(1,972)</u>	<u>(935)</u>	<u>(1,972)</u>
Total comprehensive income for the period	<u>17,536</u>	<u>(22,208)</u>	<u>17,536</u>	<u>(22,208)</u>
Attributable to:				
- Owners of the parent	18,756	(5,611)	18,756	(5,611)
- Non-controlling interests	<u>(1,220)</u>	<u>(16,597)</u>	<u>(1,220)</u>	<u>(16,597)</u>
	<u>17,536</u>	<u>(22,208)</u>	<u>17,536</u>	<u>(22,208)</u>

(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 2011 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 31 March 2012

	31-Mar-12	Audited
	RM'000	31-Dec-11
		RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	212,013	213,781
Land held for property development	256,606	255,432
Investment properties	4,424	4,459
Investments in associates	697,957	673,139
Investment securities	32,750	32,912
Club membership	1,643	1,643
Concession rights	316,759	318,154
Intangible assets	50,859	51,536
Goodwill on consolidation	137,080	137,080
Long term receivables	93,585	96,258
Concession receivable	335,410	338,216
Amount due from ultimate holding corporation	115,101	115,101
Amount due from immediate holding company	9,479	9,739
	<u>2,263,666</u>	<u>2,247,450</u>
Current assets		
Inventories	31,491	32,589
Property development costs	320,235	317,272
Receivables	836,194	808,581
Tax recoverable	1,474	1,500
Cash and bank balances	70,152	84,339
	<u>1,259,546</u>	<u>1,244,281</u>
TOTAL ASSETS	<u>3,523,212</u>	<u>3,491,731</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	476,956	476,824
Reserves	596,042	591,591
Shareholders' equity	<u>1,072,998</u>	<u>1,068,415</u>
Non-controlling interests	<u>137,237</u>	<u>138,457</u>
TOTAL EQUITY	<u>1,210,235</u>	<u>1,206,872</u>
Non-current liabilities		
Borrowings (interest bearing)	932,725	924,991
Provision for concession liability	304,571	302,822
Payables	237,580	238,664
Accrued lease rental	128,368	125,472
Deferred membership income	2,855	2,912
Deferred tax	127,203	127,607
	<u>1,733,302</u>	<u>1,722,468</u>
Current liabilities		
Payables	238,185	235,235
Borrowings (interest bearing)		
- bank overdraft	33,901	22,407
- others	281,819	284,966
Taxation	25,770	19,783
	<u>579,675</u>	<u>562,391</u>
TOTAL LIABILITIES	<u>2,312,977</u>	<u>2,284,859</u>
TOTAL EQUITY AND LIABILITIES	<u>3,523,212</u>	<u>3,491,731</u>
Net assets per ordinary share attributable to owners of the parent (RM)	2.25	2.24

(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 2011 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 quarter 31 March 2012

	Attributable to Owners of the Parent												Distributable	Non-controlling Interests
						Non Distributable								
	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM'000	Share premium RM'000	Other reserves, total RM'000	Capital reserve RM'000	Equity component of loan to parent RM'000	Revaluation reserve RM'000	Foreign currency translation reserve RM'000	General reserve RM'000	Fair value adjustment reserve RM'000	Share Option Reserves RM'000	RM'000	RM'000
At 1 January 2012	1,206,872	1,068,415	476,824	34,228	136,337	30,243	(2,867)	127,367	696	8,000	(30,905)	3,803	421,026	138,457
Total comprehensive income	17,536	18,756	-	-	(1,002)	-	-	-	(786)	-	(216)	-	19,758	(1,220)
Transactions with owners:														
Exercise of employee share option	132	132	132	-	-	-	-	-	-	-	-	-	-	-
Dividend for the financial year ended 31 December 2011	(14,305)	(14,305)	-	-	-	-	-	-	-	-	-	-	(14,305)	-
	(14,173)	(14,173)	132	-	-	-	-	-	-	-	-	-	(14,305)	-
At 31 March 2012	1,210,235	1,072,998	476,956	34,228	135,335	30,243	(2,867)	127,367	90	8,000	31,121	3,803	426,479	137,237
At 1 January 2011	1,116,596	937,621	476,824	34,228	143,766	30,243	(2,867)	127,367	(68)	8,000	(21,422)	2,513	282,803	178,975
Prior year adjustments	(41,611)	(23,539)	-	-	-	-	-	-	-	-	-	-	(23,539)	(18,072)
Effects of adoption IC Interpretation 12	115,269	129,626	-	-	-	-	-	-	-	-	-	-	129,626	(14,357)
As restated	1,190,254	1,043,708	476,824	34,228	143,766	30,243	(2,867)	127,367	(68)	8,000	(21,422)	2,513	388,890	146,546
Total comprehensive income	(22,208)	(5,611)	-	-	(1,933)	-	-	-	(63)	-	(1,870)	-	(3,678)	(16,597)
At 31 March 2011	1,168,046	1,038,097	476,824	34,228	141,833	30,243	(2,867)	127,367	(131)	8,000	(23,292)	2,513	385,212	129,949

(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 2011 and the accompanying explanatory notes attached to the interim financial statements)

KUMPULAN PERANGSANG SELANGOR BERHAD
Company No. 23737 K

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 31 March 2012

	3 months ended <u>31/03/2012</u> RM'000	3 months ended <u>31/03/2011</u> RM'000
Cash Flows From Operating Activities		
Profit/(loss) before tax and zakat	27,823	(9,310)
Adjustment for non-cash items	(10,110)	(14,270)
Adjustment for non-operating items	26,506	27,247
Operating profit before working capital changes	44,219	3,667
(Increase)/decrease in working capital:		
Net change in current assets	(36,492)	39,269
Net change in current liabilities	6,180	(17,886)
Cash generated from operating activities	13,907	25,050
Tax and zakat paid, net of refunds received	(3,411)	828
Net cash generated from operating activities	10,496	25,878
Cash Flows From Investing Activities		
Dividends received	600	-
Interest received	302	361
Purchase of property, plant and equipment	(844)	(1,552)
Proceeds from disposal of property, plant and equipment	149	-
Investment in associates	-	(5,000)
Net cash generated from/(used in) investing activities	207	(6,191)
Cash Flows From Financing Activities		
Issuance of shares	132	-
Dividend paid	(14,305)	-
Interest paid	(21,483)	(22,297)
Drawdown of borrowings	9,800	4,000
Repayment of borrowings	(10,528)	(8,030)
Net cash used in financing activities	(36,384)	(26,327)
Net decrease in cash and cash equivalents	(25,681)	(6,640)
Cash and cash equivalents at 1 January	54,226	(2,406)
Cash and cash equivalents at 31 March	<u>28,545</u>	<u>(9,046)</u>
Cash and cash equivalents included in the statement cash flows comprise:		
	As at <u>31-Mar-12</u>	As at <u>31-Mar-11</u>
Cash and bank balances	29,580	35,020
Deposits (excluding deposits pledged)	32,866	42,015
Bank overdrafts	(33,901)	(86,081)
	<u>28,545</u>	<u>(9,046)</u>

(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 2011 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 FIRST QUARTER ENDED 31 MARCH 2012

A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The unaudited interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2011.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2011 except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and Issue Committee Interpretations (“IC Interpretations”) with effect from 1 January 2012.

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

On 1 January 2012, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2012.

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

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

A2.2 Standards issued but not yet effective

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

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

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

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

On 19 November 2011, the Malaysian Accounting Standards Boards (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (herein called “Transitioning Entities”)

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

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

A3 Audit report of preceding annual financial statements

The audited financial statements for the financial year ended 31 December 2011 were not subject to any audit qualification.

A4 Seasonal or cyclical factors

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

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

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

A6 Material changes in estimates

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

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A7 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter except for the issuances of 132,000 new ordinary shares of RM1.00 each at RM1.00 per share arising from the exercise of the Kumpulan Perangsang Selangor Berhad's Employee Share Option Scheme.

A8 Dividend paid

A second interim dividend of 4 sen less 25% tax per ordinary share amounting to RM14,304,713 in respect of the year ended 31 December 2011 was declared on 6 January 2012 and was paid on 14 February 2012.

A9 Segmental Information

	3 months ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
Segment Revenue		
Revenue from continuing operations:		
Infrastructure and utilities	44,746	46,863
Property development and management	9,897	46,753
Trading	10,790	9,416
Hospitality	6,013	6,009
Golf club and recreational facilities	1,681	1,787
Investment holding	8,942	10,107
Total revenue including inter-segment sales	82,069	120,935
Elimination of inter-segment sales	(7,073)	(8,328)
Total	74,996	112,607
Segment Results		
Results from continuing operations:		
Infrastructure and utilities *	41,280	41,116
Property development and management	(4,935)	(42,603)
Trading	950	1,468
Hospitality	(1,109)	(855)
Golf club and recreational facilities	(767)	(498)
Investment holding	(1,274)	673
Total profit	34,145	(699)
Eliminations	(6,322)	(8,611)
Profit/(loss) before tax	27,823	(9,310)

* Included share of profit of associates involved in infrastructure and utilities activities.

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

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

A10 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the reporting period which is likely to substantially affect the results of the operations of the Group other than the matters as disclosed in Note B8 "Status of Corporate Proposals" and Note B11 "Material Litigation" to the unaudited interim financial statements.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for on 20 January 2012, Metro Pinnacle Sdn Bhd transfer is 23,400,000 ordinary shares of RM1.00 each in Kuala Langat Mining Sdn Bhd ("KLM") to the company for a total consideration of RM7,350.00. Pursuant to the transfer, KLM became a wholly-owned subsidiary of the company.

A12 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the unaudited interim financial statements as at 31 March 2012 is as follows:

Approved but not contracted for	RM'000 <u>4,645</u>
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A13 Contingent liabilities

The contingent liabilities as at 31 March 2012 are as follows:

	RM'000
a) Secured	
i) Guarantees to secure banking and other credit facilities of an associated company	5,860
ii) Legal action in relation to a piece of forfeited land taken by a financial institution in respect of a third party charge granted by a subsidiary company, as disclosed under B9 Part D No 3	49,819
b) Unsecured	
i) Performance guarantees to third parties	551
ii) Other claims filed against the Group	<u>1,716</u> <u>57,946</u>
c) On 16 February 2004, a third party filed an action alleging that a subsidiary's termination of the joint venture agreement and the agreements ancillary thereto ("JVA") due to the third party's breach of four fundamental conditions of the JVA was wrongful and claimed for the transfer of the ownership of the said land to the third party, damages to be assessed and the loss of profits of approximately RM350 million. The subsidiary has filed its defence and made a counter-claim on 17 March 2004, against the third party for the said four fundamental breaches of the JVA by the third party and claiming amongst others, for the return of vacant possession of the said land, damages in the sum totalling to approximately RM399 million and an indemnity against all claims in the foreclosure proceedings as stated in (a) (ii) above. Further development of the case is disclosed under B9 Part D No 4.	

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A14 Employee Share Options Scheme (“ESOS”)

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

The KPS ESOS is governed by the amended by-laws approved by the shareholders at an Extraordinary General Meeting held on 15 June 2004. The KPS ESOS was implemented on 30 July 2003 and is for a period of 5 years from the date of implementation, subject however, to an extension at the discretion of the Option Committee for a period up to 5 years commencing from the date of expiration of the original 5 year period. On 16 July 2008, the Option Committee has approved the extension of KPS ESOS tenure for another 3 years commencing from 29 July 2008 until 29 July 2011. Subsequently, on 20 May 2011 the Option Committee has approved the extension of KPS ESOS tenure for another 2 years commencing from 29 July 2011 until 29 July 2013.

The salient features of the KPS ESOS are as follows:

- (i) The total number of ordinary shares to be issued by the Company under the KPS ESOS shall not exceed 15% of the total issued and paid-up ordinary shares of the Company, such that not more than 50% of the shares available under the KPS ESOS is allocated, in aggregate, to directors and senior management.
- (ii) Not more than 10% of the shares available under KPS ESOS is allocate to any individual director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company.
- (iii) Only staff and directors of the Company, Hydrovest Sdn. Bhd., Konsortium Abass Sdn. Bhd., Cash Band (M) Berhad, Perangsang Hotel and Properties Sdn. Bhd. and Brisdale International Hotel Sdn. Bhd. are eligible to participate in the scheme. Executive directors are those involved in the day-to-day management and on the payroll of the Company.
- (iv) The options price under the KPS ESOS is the average of the mean market quotation of the shares of the Company as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad for the five market days preceding the offer date, of the par value of the shares of the Company of RM1, whichever is higher.
- (v) All share options granted are exercisable from the date of grant until the expiry date of KPS ESOS.
- (vi) Share options granted under the KPS ESOS carry no dividend or voting rights. Upon exercise of the options, shares issued rank pari passu in all respects with existing ordinary shares of the Company.

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

Grant date	Expiry date	Exercise price RM	-----Number of share options ----->				
			As at 1.1.2012 '000	Granted '000	Terminated '000	Exercised '000	As at 31.03.2012 '000
12 August 2003	29 July 2013	1.62	3,280	-	-	-	3,280
23 July 2007	29 July 2013	1.62	718	-	-	-	718
26 July 2007	29 July 2013	1.62	119	-	-	-	119
3 August 2007	29 July 2013	1.98	25	-	-	-	25
17 July 2008	29 July 2013	1.93	250	-	-	-	250
5 May 2009	29 July 2013	1.62	2,058	-	-	-	2,058
23 May 2011	29 July 2013	1.10	200	-	-	-	200
21 September 2011	29 July 2013	1.00	6,024	-	-	(132)	5,892
			<u>12,674</u>	-	-	<u>(132)</u>	<u>12,542</u>

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(b) Kumpulan Hartanah Selangor Berhad's Employee Share Option Scheme ("KHSB ESOS")

Kumpulan Hartanah Selangor Berhad ("KHSB"), a subsidiary company, implemented KHSB ESOS on 21 December 2005 for a period of 5 years subject however, to an extension at the discretion of KHSB's Option Committee for a period up to 5 years commencing from the date of expiration of the original 5 years period. The KHSB ESOS is governed by the by-laws which were approved by the shareholders at the Extraordinary General Meeting on 15 June 2004. Subsequently, the KHSB's Option Committee has approved to the extension of KHSB ESOS tenure for another 5 years expiring on 27 December 2015.

The main features of the KHSB ESOS are as follows:

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

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

Grant date	Expiry date	Exercise price RM	-----Number of share options ----->				
			As at 1.1.2012 '000	Granted '000	Terminated '000	As at 31.03.2012 '000	
28 Dec 2005	27 Dec 2015	1.00	30,939	-	(4,450)	-	26,489
05 Jan 2008	27 Dec 2015	1.00	1,352	-	-	-	1,352
			<u>32,291</u>	<u>-</u>	<u>(4,450)</u>	<u>-</u>	<u>27,841</u>

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

B1 Performance review

a) Current quarter against previous year corresponding quarter

For the current quarter ended 31 March 2012, the Group registered revenue of RM75.00 million as compared to RM112.61 million in the preceding year corresponding quarter 2011, representing a decrease in revenue of 33% or RM37.61 million. The decrease was mainly due to lower revenue recorded by the property development sector of RM36.86 million and infrastructure and utilities sector of RM2.12 million.

The Group recorded a profit before tax of RM27.82 million for the current quarter as compared to a loss of RM9.31 million in the preceding year corresponding quarter 2011. The increase in profit was mainly due to the property development sector which recorded a lower loss of RM9.90 million as compared to the preceding year corresponding quarter loss of RM46.75 million.

Performance of the respective operating business segments for the first quarter ended 31 March 2012 as compared to the preceding year corresponding quarter is analysed as follows:-

1. Infrastructure and utilities

The revenue for infrastructure and utilities sector had reduced marginally from RM46.86 million to RM44.75 million for the current quarter due to amortisation of concession receivable of RM7.00 million. However, this was mitigated by higher sales volume of treated raw water of 146.4 MGD compared to corresponding quarter 2011 of 136.4 MGD.

The infrastructure and utilities sector recorded a profit before tax of RM41.28 million as compared to profit before tax of RM41.12 million in the corresponding quarter 2011.

2. Property development and management

The property development and management sector recorded lower revenue of RM9.90 million as compared to corresponding quarter 2011 of RM46.75 million. The lower revenue was mainly due to no contribution from land sales in the current quarter. The sector recorded a lower loss before tax of RM4.94 million as compared to loss before tax of RM46.75 million in the corresponding quarter 2011. The loss in the corresponding quarter 2011 was mainly due to impairment loss on long term receivables of RM20.75 million, impairment loss on land held for property development of RM20.76 million and impairment loss on inventories of RM5.071 million.

3. Trading

The trading sector posted a profit before tax of RM0.95 million on the back of total revenue of RM10.79 million. On current quarter against corresponding quarter 2011 comparison, profit before tax was lower by 35% mainly due to lower revenue and profit margins from project coupled with lower share of profit from its associated company.

4. Hospitality

During the current quarter, the hospitality sector recorded same revenue of RM6.01 million as the preceding year corresponding quarter. The loss before tax for the hospitality sector for the current quarter was RM1.11 million as compared to loss of RM0.86 million in the corresponding quarter 2011. Higher loss was mainly due to higher cost of operation.

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5. Golf club and recreational facilities

The golf club and recreational facilities recorded revenue of RM1.68 million as compared to RM1.79 million in the corresponding quarter 2011. The decrease in revenue was mainly due to the shortfall in the food and beverages revenue. The sector recorded a loss of RM0.78 million as compared to loss of RM0.50 million in the corresponding quarter 2011.

6. Investment holding

Investment holding recorded revenue of RM8.94 million as compared to RM10.11 million in the corresponding quarter 2011. The decrease was due to lower dividend income of RM1.40 million. However, rental income and management fees were higher by RM0.23 million. Loss before tax was RM9.05 million as compared to RM8.17 million in the corresponding quarter 2011.

B2 Comment on material change in profit before tax

The Group recorded a profit before tax of RM27.82 million for the current quarter ended 31 March 2012 as compared to a loss of RM45.97 million in the previous quarter ended 31 December 2011. The increased in profit recorded was mainly due to the infrastructure and utilities sector which recorded a profit of RM41.57 million as compared to a loss of RM48.43 million for the previous quarter due to impairment loss on receivables of RM17.00 million. The property sector also recorded a lower loss of RM4.51 million as compared to a loss of RM5.71 million in the previous quarter.

B3 Commentary on prospects

1. Infrastructure and utilities

Notwithstanding that the ongoing water restructuring in Selangor remains unresolved, the Group expects the infrastructure and utilities sector continues to be the major contributor towards the Group's earnings.

2. Property development and management

Whilst the Group continues to address the challenging issues from previous property development and joint venture projects, the Group has outlined some strategic plans to be implemented over the next few years.

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

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

The Group has successfully completed and sold Phase 1 of the Selangor Halal Hub Pulau Indah measuring 300 acres. The infrastructure works for Phase 2 which cover 400 acres are currently 95% completed and are expected to be fully completed by June 2012.

The Group has decided to develop a piece of land measuring 9.60 acres at Petaling Jaya, Section 14 on a joint-venture basis and the development planning on the land is in progress. The project by

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virtue of its strategic location had attracted market interest and the Group is very careful in its planning as to maximize its returns.

The Group is also actively searching for strategically located lands for future development.

3. Hospitality, golf club and recreational

For the hospitality, golf club and recreational sector, the Group is currently reviewing its investments in the sector with a view towards streamlining its existing business model to improve operational efficiencies.

B4 Profit forecast and profit guarantee

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

B5 Other operating income/(expenses)

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

	3 months ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
Interest income:		
- concession receivable	4,806	4,930
- imputed interest income	4,723	5,290
- loan and receivables	1,128	1,447
- fixed deposit	302	361
Gain/(loss) on disposal:		
- property, plant and equipment	149	(15)
Gain/(loss) on foreign exchange	9	9
Finance costs	(26,809)	(27,532)
Depreciation of property, plant and equipment	(1,987)	(2,014)
Depreciation of investment properties	(744)	(731)
Amortisation of intangible assets	(676)	(672)
Amortisation concession rights	(1,395)	(3,309)
Impairment loss on:		
- long term receivables	-	(20,750)
- trade receivables	(7,751)	(1,122)
- land held for property development	-	(20,765)
- inventories	-	(5,071)

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

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B6 Income tax and zakat expense

	3 months ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
Current tax position	9,729	13,347
Deferred tax transfer to balance sheet	(404)	(2,446)
Income tax expense	9,325	10,901
Zakat expense	27	25
Income tax and zakat expense	9,352	10,926

The effective tax rate for the Group for the current quarter is higher due certain expenses not deductible in certain subsidiary companies of the Group.

B7 Status of corporate proposals

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

B8 Borrowings

The Group borrowings as at 31 March 2012 and all denominated in local currency are as follows:

	RM'000
Short term borrowings	
Secured	302,645
Unsecured	13,075
	<u>315,720</u>
Long term borrowings	
Secured	932,725
Unsecured	-
	<u>932,725</u>
Total Borrowings	<u>1,248,445</u>

B9 Material litigation

Save as disclosed below, neither the Company nor its subsidiary companies has been or are involved in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors are not aware of any proceedings, pending or threatened, against the Company or its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the financial position or business of the Company or its subsidiary companies.

Part A - Kumpulan Hartanah Selangor Berhad (KHSB) and/or its group of companies as the Plaintiff(s)

1. SAP Holdings Berhad ("SAP") filed an action against PAG Mampu Jaya Sdn Bhd ("PAG") vide Kuala Lumpur High Court Summons No.D2-22-1075-05 claiming the sum of RM15.93 million together with general damages for loss of profit, interest and cost for breach of a Joint Venture Agreement between

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SAP and PAG. Summary judgment was obtained in favour of SAP on 12 February 2007. Due to failure by PAG to honour the aforesaid judgment, SAP filed a winding up proceeding against PAG. Pursuant to the winding up order made on 20 May 2008, the Official Assignee (“OA”) was appointed as the liquidator for PAG. SAP filed proof of debt on 16 July 2009 for a total amount of RM20,342,391.78 consisted of judgment sum of RM15,930,000 and interests of RM4,412,391.78.

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

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

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

The court has yet to fix a hearing date for the appeal.

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

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 court has yet to fix the hearing date for the appeal.

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

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

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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 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 Ad Interim Injunction. The case management has been fixed on 22 December 2011. However, on 22 December 2011, SAP filed Summons in Chambers in support of SAP's application under Order 14A(1) and (2) Rules of High Court 1980 to strike out the Notice Pursuant to Section 218 of the Companies Act 1965 and the Bill of Cost dated 26 March 2010 for the alleged sum of RM4,711,453.00 as the Notice and the Bill of Cost were issued to two (2) different entities. The court has fixed the case management on 6 March 2012 for the parties to complete the affidavits. On 6 March 2012, the court has fixed the next case management on 27 March 2012 for the parties to file their respective written submissions, if any. On 27 March 2012, the court fixed the case management on 17 April 2012.

On 17 April 2012, the court further fixed the case management on 10 May 2012 to enable the court and parties to reconstruct the file since some documents which were filed earlier are not found available in the court's file due to change of court officers. On 10 May 2012, the court has set the case for hearing on 27 June 2012.

Part B – Konsortium ABASS Sdn. Bhd. ("ABASS") as the Plaintiff(s)

1. ABASS filed a Writ of Summons in High Court on 28 March 2011 against SYABAS whereby ABASS is seeking the following:-
- i) A declaration that the SYABAS is liable to make full payment on all invoices issued by the ABASS pursuant to the PCCA and Related Agreements particularly in accordance to Section 4.04 (c) of the Novation Agreements and that the SYABAS's liability to make payment in full is not in any way diminished or mitigated by reason of its right to make proportionate payment to the water concessionaires;
 - ii) Judgment for the sum of RM149,478,553.02;
 - iii) An account of all payments due to the ABASS in respect of invoices issued after the date of the Writ herein be taken by the Court and an order that the SYABAS to pay the ABASS all such sums found to be due on the taking of such account;
 - iv) Interest on the outstanding amount of the invoices for the months from January 2010 to October 2010 at the rate of one percent (1%) per annum plus the base lending rate of Malayan Banking Berhad calculated on daily basis until the date of full payment by the SYABAS;
 - v) Interest on the outstanding amount of the previous outstanding invoices for the months from June 2006 to December 2009 in the sum of RM6,218,522.57;
 - vi) Alternative to prayers (iii) and (iv) above, interest at the rate of 8% per annum on the outstanding amount of each of the outstanding invoices to be calculated from the respective due date until the date of full payment by SYABAS;
 - vii) Damages for breach of contract;

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viii) Costs;

ix) Such further order or relief that the Court deems fit and just.

On 30 March 2011, the sealed copy of the Writ of Summons was served on SYABAS. During the case management fixed on 12 April 2011, SYABAS's solicitors informed the Court that SYABAS will be issuing Third Party proceedings against the Selangor State Government. The Court has fixed 30 May 2011 for the next case management.

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

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

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

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

- 1) Enclosure 10 - ABASS's application for trial of preliminary issue
- 2) Enclosure 13-SYABAS's application to issue third party notice against the Selangor State Government
- 3) Enclosure 14 - SYABAS's application to amend its Defence

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

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

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

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

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

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

(ii) Enclosure 10 (ABASS's application for trial of preliminary issue) on 21 November 2011

On 21 October 2011, after hearing of Enclosure 13 and 14, the Court has fixed 31 October 2011 for decisions on both applications. However, on 31 October 2011, the Court has adjourned the decision date to 3 November 2011.

On 3 November 2011, the Court allowed SYABAS's applications to amend the Defence and to issue third party notice against Selangor State Government. With regards to the amendment application, ABASS sought leave to file a reply to SYABAS's Amended Defense within 2 weeks upon the service of the sealed Amended Defense or any further extension of time by agreement of both parties. The next case management is fixed on 17 November 2011 pending SYABAS's service of the third party notice against Selangor State Government.

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

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

a. 21 November 2011 – Enclosure 10.

b. 23 November 2011 – ABASS's appeal against the decision of the Court delivered on 3 November 2011.

The next case management is fixed on 23 November 2011 for ABASS to update the Court on the status of the above hearings and for SYABAS to file Summons for Directions in respect of the Third Party Proceeding.

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.

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On 5 January 2012, the Court has further fixed the next case management on 20 January 2012 pending filing of SYABAS's Reply to the State Government's defence and for ABASS to update the Court on the outcome of the preliminary issue Hearing fixed on 13 January 2012.

On 13 January 2012, SYABAS requested for an adjournment of the Hearing of Enclosure 10 as Syarikat Pengeluar Air Selangor Holdings Berhad ("Splash") is having similar suit against SYABAS which is pending in the Court of Appeal and Federal Court. Since there is a Notice of Motion for clarification of the Court of Appeal order pending to be heard at the Court of Appeal, SYABAS informed that Splash has also filed an application for leave to appeal to the Federal Court against the decision of the Court of Appeal. As such, the parties should wait for the outcome of these applications before proceeding with the Hearing, as the decisions of the Court of Appeal and Federal Court in the Splash suits are directly related to the present suit. The learned Judge adjourned the case to 13 February 2012 for parties to update the Court on the matter.

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

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

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

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

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

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

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.

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

Part C – Kumpulan Perangsang Selangor Berhad as the Defendant

1. On 3 August 2011, Kumpulan Perangsang Selangor Berhad (“Perangsang Selangor”) and Titisan Modal Sdn. Bhd. (“TMSB”) was served with an Interim Injunction dated 3 August 2011 from the solicitors acting for Operasi Murni Sdn Bhd (“Operasi Murni”).

The Interim Injunction by Operasi Murni is to restrain Perangsang Selangor and TMSB from putting into effect the Ordinary Resolutions passed at the Adjourned Extraordinary General Meeting of TMSB held on 8 July 2011 for the increase in the authorized and paid up capital of TMSB. The Interim Injunction has since automatically lapsed pursuant to the end of the 21 days from the date on which the Interim Injunction was granted.

In a hearing on 24 August 2011, the High Court recorded Perangsang Selangor’s undertaking not to sell or dispose, transfer or otherwise encumber the 39,050,000 new ordinary shares of RM1.00 each in of TMSB allotted and issued to Perangsang Selangor on 1.8.2011 and not to rely on the challenged resolutions to facilitate the issuance of any further new shares until the next hearing date unless otherwise extended and recorded with Court, subject to the Plaintiff’s cross-undertaking as to damages.

The High Court also recorded TMSB’s undertaking not to facilitate the sale, transfer and/or disposal of the 39,050,000 new ordinary shares of RM1.00 each of TMSB allotted and issued to Perangsang Selangor on 1 August 2011 until the next hearing date unless otherwise extended and recorded with the High Court.

The case management was fixed on 8 December 2011 and the trial was fixed on 11 and 12 January 2012. Nevertheless the Plaintiff’s counsel had requested for an adjournment of the trial fixed on 11 and 12 January 2012 on the basis that pleadings have not closed and pre-trial directions have not been fully complied with, to enable the trial to proceed on the said dates.

The Judge granted the adjournment sought by the Plaintiff and fixed the trial on 23 and 27 March 2012. During the trial, the Court was informed by solicitors acting for two of the shareholders of Operasi Murni that an Interim Receivership Order has been made against Operasi Murni in the morning of 27 March 2012 in the High Court vide Kuala Lumpur High Court Originating Petition at the instance of those two shareholders. As a consequence, Operasi Murni’s solicitors had sought an adjournment of the trial from the Court to clarify the status of their retainer with Operasi Murni. The Company’s solicitors and the Titisan’s solicitors pointed out to the Court on 27 March 2012 that the undertakings given by the Company and Titisan announced previously on 24 August 2011 are, for the avoidance of doubt, not renewed. The Court then adjourned the matter for case management on 16 April 2012.

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

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

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

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

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

The Court of Appeal has fixed 20 April 2012 for case management. On 20 April 2012, the Court of Appeal has directed UDSB to file their Appeal Record by 31 May 2012 and the case is fixed for hearing on 14 August 2012.

2. CGE Construction Sdn Bhd (“CGE”) has filed an action against SAP Air Hitam Properties Sdn Bhd (“SAPH”) on 20 April 2006 vide Shah Alam Civil Suit No. MT4-22-434-2006 alleging that SAPH owes CGE the sum of RM4,116,506.20 together with cost and interest at the rate of 8% per annum from 20 April 2006 to the date of realisation, purportedly being balance payment for work done at the project known as “Proposed site clearance, earthworks, drainage, main road works and final layer to internal roads and related works to the proposed residential commercial and recreational development at Lestari Perdana, Mukim Petaling, Daerah Petaling Selangor” (the “Project”).

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

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

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

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

Subsequently, the Court allowed AMF’s application for an Order for Sale of the Gombak Land with cost of RM1,500.00. The Court further fixed 24 January 2011 as the auction date of the Gombak Land.

SAP filed a notice of appeal against the decision and the hearing for the Summons for Directions was fixed on 29 March 2011 in respect of the Order for Sale of the Gombak Land.

On 23 March 2011, SAP filed an application for Stay of Execution and the hearing date for the said application on 25 March 2011, the court granted an Interim Stay pending both parties filing their submission before the court by 19 May 2011 and the court shall give its decision on the same on 26 May

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2011.

On the hearing date for the Summons for Direction in respect of the Order for Sale, i.e. 29 March 2011, the court has directed for both parties to file their submission in relation to the Summons in Chambers filed by CTSB to set aside the Order for Sale and substitution of SAP as Defendant in the said suit by 29 April 2011 and 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 of SAP's application for Stay of Execution.

On 6 July 2011, the Court allowed SAP's application for Stay of Execution pending appeal.

On 2 August 2011, the court has fixed 13 September 2011 for decision and the parties were required to submit all cause papers and written submission by 6 September 2011. On 25 August 2011, the Gombak Land was forfeited by the Gombak District Land Office. On 13 September 2011, the court further fixed the case management for CTSB's application to set aside the Order for Sale on 30 November 2011. The Court of Appeal has fixed 12 January 2012 for hearing of AMF's appeal against the stay order obtained by SAP. However, the Court of Appeal has adjourned this matter to 26 April 2012 pending hearing of AMF's appeal against the forfeiture notice pursuant to Section 418 of the National Land Code 1965. On 26 April 2012, the Court of Appeal has further adjourned the hearing to 6 June 2012 pending decision of AMF's appeal against the forfeiture of the Gombak Land.

4. 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 ("JVA") and the agreements ancillary thereto and seeking damages to be assessed and the purported loss of profits of approximately RM350.0 million.

SAP has filed its defense and made a counterclaim of RM399 million against CTSB and indemnification by CTSB against the consequences of CTSB's breach of the term loan facility and/or enforcement by AMF of its right under the charge.

The case was heard on 5 July 2011 and on 4 August 2011, it was held by the Court as follows:

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

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

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

On 16 August 2011, CTSB filed Summons in Chambers for stay of execution which was fixed for hearing on 25 August 2011. CTSB also filed a second appeal on 16 August 2011 to crystallize and reflect the true decision of the court following the clarification by the Judge. On 19 August 2011, SAP through its solicitors demanded CTSB to deliver vacant possession of the Gombak Land within fourteen (14) DAYS from the date of the notice pursuant to the order dated 4 August 2011. On 25 August 2011, SAP served *Notis Untuk Menghadiri Temujanji* to Court for the assessment of damages pursuant to the Order dated 4 August 2011 and the Court fixed 9 November 2011 for case management. On 26 August 2011, SAP received Borang 8A dated 25 August 2011 from the Gombak District Land Office being a notice of an Order under Section 129 of the National Land Code 1965 to forfeit the land.

On 13 September 2011, CTSB's application for stay of execution was dismissed by court. On 9 November 2011, the Court directed the parties to file and exchange affidavits on the assessment of damages pursuant to the Order dated 4 August 2011 and fixed 29 March 2012 for case management. SAP filed its claim for damages to be assessed by the court on 28 December 2011. On 18 January 2012, CTSB filed Notice of Motion to amend their Record of Appeal date 9 August 2011 and extension of time to file the Record of Appeal and Supplemental Record of Appeal dated 16 January 2012 out of time. The hearing for CTSB's application has been fixed on 13 April 2012.

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

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

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

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

On 23 May 2012, the court has set 17 July 2012 for hearing of CTSB's motion for amendment of the Notice of Appeal and extension of time to file Rekod Rayuan. In respect of SAP's application for leave to continue with the proceedings for the assessment of damages, the court has allowed SAP's application on 24 May 2012 with costs of RM1,500.00 to be paid by the liquidators from CTSB's assets to SAP.

5. Pembinaan Juta Mekar Sdn Bhd ("PJM") filed an action against SAP Holdings Berhad ("SAP") and Templer Park Golf Resort Berhad ("TPGR") on 18 April 2008 vide Shah Alam High Court Civil Suit No. MT3-22-617-2008 alleging that SAP and TPGR owe PJM the sum of RM10,270,351.28 purportedly being payment for the proposed construction and completion of townhouse for Phase 3A and proposed construction and completion of double storey terrace house for Phase 3B.

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The hearing for summary judgment filed by PJM shall only be heard after the hearing for striking out application by SAP and TPGR.

The case has been fixed for Full Trial on 26 July 2012 and 27 July 2012.

6. Star Everest Sdn Bhd (“SESB”) filed an action in the Kuala Lumpur High Court Suit No. 22NCVC-1066-11/2011 vide a Writ of Summons and Statement of Claim dated 1 November 2011 against SAP for breach of a “Development Agreement”, “Business Alliance Cum Authorisation Agreement”, “Forward Entitlement Agreement”, “Takeover Liabilities Agreement” and “Power of Attorney” all dated 21 February 2004 (“the Agreements”) in relation to the development of a piece of land held under HS(D) 20034, PT No. 26549, Mukim Batu, Daerah Gombak, Negeri Selangor Darul Ehsan measuring approximately 234.187 acres (“the said Land”). SESB are alleging that SAP has wrongfully terminating the Agreements. On 22 December 2011, the court has allowed SAP’s application for extension of time for a further period of 2 weeks and directed SAP to file its defense by 5 January 2012. On 6 January 2012, the court directed SESB to file its reply to SAP’s defense (if any) by 20 January 2012.

On 14 February 2012, SESB indicated that they are willing to mediate the disputes to allow parties to explore the possibility of an amicable settlement and the court has adjourned this matter to 9 March 2012.

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

- (a) the application to amend the Statement of Defense is allowed with costs to SESB in the sum of RM500.00;
 - (b) the parties to file Agreed Issues to be Tried, List of Witnesses and Summary of Case; and
 - (c) the court has fixed this matter for further case management on 15 June 2012.
7. Brisdale Holdings Sdn Bhd (In Liquidation) (“BHB”) filed an action in the Shah Alam High Court Civil Suit No. 22NCVC-540-04-2012 vide a Writ of Summons and Statement of Claim dated 24 April 2012 against Kumpulan Hartanah Selangor Berhad (“KHSB”) claiming that the Master Debt Settlement Agreement (“MDSA”) dated 30 April 2007 between BHB and KHSB together with nine (9) Power of Attorneys, all dated 30 April 2007, given by BHB to KHSB pursuant to the MDSA are void *ab initio*, not valid and binding. The MDSA was executed in respect of a debt due and owing by BHB to KHSB in which the parties agreed to settle the outstanding by way of settlement in kind through the conveyance and transfer of parcels of land as stipulated in the MDSA.

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

The court has fixed the matter for case management on 17 May 2012. On 17 May 2012, the court has given the following directions:

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

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B10 Dividends

A second interim dividend of 4 sen less 25% tax per ordinary share amounting to RM14,304,713 in respect of the year ended 31 December 2011 was declared on 6 January 2012 and was paid on 14 February 2012.

B11 Earnings per share

(a) Basic earnings/(loss) per share

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

(b) Diluted earnings/(loss) per share

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

	3 Months Ended 31.03.2012	12 Months Ended 31.03.2011
(a) Basic earnings/(loss) per share		
Net profit/(loss) attributable to owners of the parent (RM'000)	19,754	(3,678)
Weighted average number of shares in issue ('000)	476,923	476,824
Basic EPS (sen)	4.1	(0.8)
(b) Diluted earnings/(loss) per share		
Net profit/(loss) attributable to owners of the parent (RM'000)	19,754	(3,678)
Weighted average number of shares in issue ('000)	476,923	476,824
Effects of dilution from exercise of KPS ESOS options ('000)	965	421
Diluted EPS (sen)	477,888 4.1	477,245 (0.8)

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B12 Realised and unrealised profits/losses disclosures

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

	As at 31.03.2012	As at 31.12.2011
	RM'000	RM'000
The retained profits of the Group:-		
- Realised	80,187	98,267
- Unrealised	(38,914)	(38,524)
	<u>41,273</u>	<u>59,743</u>
Total share of retained profit from associated companies		
- Realised	<u>385,206</u>	<u>361,283</u>
Retained earnings as per financial statements	<u>426,479</u>	<u>421,026</u>

BY ORDER OF THE BOARD**WONG WAI FOONG**
Company Secretary

Date: 30 May 2012