

**KUMPULAN HARTANAH SELANGOR BERHAD**

Company No. 559747-W

(Incorporated in Malaysia)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER  
ENDED 30<sup>th</sup> JUNE 2009**

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

**A1 Accounting policies and 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 2008.

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 2008.

**A2 Audit report of preceding annual financial statements**

The audited financial statements for the financial year ended 31 December 2008 were not subject to any audit qualification.

**A3 Seasonal or cyclical factors**

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

**A4 Unusual items affecting assets, liabilities, equity, net income or cash flows**

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

**A5 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.

**A6 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.

**A7 Dividend paid**

There was no dividend paid during the period under review.

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#### **A8 Segment information**

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

#### **A9 Property, plant and equipment**

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

#### **A10 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> June 2009 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.

#### **A11 Changes in the composition of the Group**

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

#### **A12 Contingent liabilities**

The contingent liabilities as at 30<sup>th</sup> June 2009 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	37,703
<b>b) Unsecured</b>	
Other claims filed against the Group	8,673

**c)** 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 counterclaim 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. Both parties have obtained an ex-parte injunction against each other in respect of the said land. The third party has filed an application to set aside the Ad-Interim injunction obtained in favour of the subsidiary until the disposal of the inter-parte hearing of the Injunction Applications. The case is fixed is now fixed for mention on 4 September 2009 for all enclosures to be heard and consolidated.

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The Company implemented an ESOS on 21 December 2005 for a period of 5 years. The ESOS is governed by the by-laws which were approved by the shareholders at the Extraordinary General Meeting on 15 June 2004.

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	1.1.2009 '000	No of Share Options			30.06.2009 '000
				Granted '000	Terminated '000	Exercised '000	
28.12.05	28.12.10	1.00	38,085	-	(3,164)	-	34,921
05.01.08	28.12.10	1.00	<u>2,347</u>	<u>-</u>	<u>(815)</u>	<u>-</u>	<u>1,532</u>
			<b>40,432</b>	<b>-</b>	<b>(3,979)</b>	<b>-</b>	<b>36,453</b>

No options were exercised during the financial year.

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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 RM9.91 million which is lower by 46% (RM8.55 million) compared to RM18.46 million in the preceding quarter 2008, mainly attributed to lower revenue from property development sector. The Group profit before tax for the current quarter under review was RM22.37 million compared to profit before tax of RM14.04 million in the preceding quarter 2008.

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

Group revenue for the current quarter of RM9.91 million increased by 4% compared to RM9.46 million recorded in the previous quarter. The Group recorded a profit before tax of RM22.37 million in the current quarter as compared to loss before tax of RM15.28 million in the previous quarter due to significant contribution from other income.

**B3 Commentary on prospects**

The Group anticipate continued challenges in the property development industry in view of cautious approach taken by consumers due to the current global financial condition. The 3<sup>rd</sup> quarter 2009 performance are expected to remain challenging. The Group will continue to strive on improving its operational efficiency and development of resources. Current land banks will be reviewed for optimum utilization to generate more revenue.

**B4 Profit forecast and profit guarantee**

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

**B5 Taxation**

	<b>Current Year To-date 30-06-09 RM'000</b>
<b>Current tax provision</b>	<b>8,577</b>
<b>Deferred tax transfer from balance sheet</b>	<b>(3,154)</b>
<b>Total income tax expense</b>	<b><u>5,423</u></b>

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

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**B6 Unquoted investment and properties**

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

**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> June 2009, all denominated in local currency are as follows :-

	<b>Total</b> RM'000
<b>Short Term Borrowings :</b>	
<b>Secured</b>	16,484
<b>Unsecured</b>	61,836
	<hr/> 78,320 <hr/>
	<b>Total</b> RM'000
<b>Long Term Borrowings :</b>	
<b>Secured</b>	161,331
<b>Unsecured</b>	-
	<hr/> 161,331 <hr/>
Total Borrowings	<b><u><u>239,651</u></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.

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**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") on 27.07.2005 vide Kuala Lumpur High Court Summons No. D2-22-1075-05 claiming the sum of RM15.93 million together with general damages for loss of profit, interest and cost for breach of a Joint Venture Agreement between SAP and PAG dated 15<sup>th</sup> May 2000. PAG has filed a counter claim against SAP for the sum of RM2.072 million for breach of the terms of the Joint Venture Agreement.

On 12.02.2007, the Learned Judge allowed SAP's Notice of Appeal and granted Summary Judgment against PAG for the sum of RM15.93 million together with interest at the rate of 10% per annum on monthly rest from 27.07.2005 until full settlement and costs.

Notice under Section 218 of the Companies Act 1965 was issued and served on PAG on 13.4.2007. However PAG has not made any payment pursuant to the said Notice. SAP filed the winding up petition and the Court on 2.05.2008 granted the winding up order against PAG.

On 26.05.2008 SAP filed a claim for General Damages against PAG. However, SAP instructed their Solicitors to withdraw their claim vide their letter dated 28.05.2008 because in order to proceed with the claim for general damages the consent of the Official Assignee ("ÖA") is required. On 9.1.2009, our Solicitors were informed that the matter has been transferred from Court 2 to the Commercial Division, Court 9. However, the matter was not listed and the Solicitors were directed to write to the Court to obtain a new date to enable the Solicitors to inform the Court of the withdrawal. Our Solicitors have written to the Assistant Registrar for a new date. The matter is now pending reply from the Court.

Meanwhile pursuant to the Winding Up Order dated 02.05.2008, an OA was appointed as the liquidator. On 16.07.09 SAP filed proof of debt for a total amount of RM20,342,391.78 consisted of judgment sum of RM15,930,000 and interests of RM4,412,391.78.

2. Central Spectrum (M) Sdn Bhd ("CSSB") filed an action against Pentadbir Tanah Daerah Klang ("PTDK"). PTDK awarded a sum of RM2,664,364.00 to CSSB on 7<sup>th</sup> February 2004 for land acquisition for Lots 74072, 74073, 74074 and 74075 [No. Hakmilik: PN 7941, 7940, 7939 and 7938]. CSSB filed an appeal on the quantum and measurement awarded to CSSB pursuant to which, PTDK had on 18.01.2005 referred the matter to Shah Alam High Court. The action by CSSB against PTDK is vide Shah Alam High Court Summons No. MT3-15-686-2004 - ("KTM 1").

Central Spectrum (M) Sdn Bhd (CSSB) filed another action against Pentadbir Tanah Daerah Klang (PTDK). PTDK awarded a sum of RM4,535,114.00 to CSSB on 19<sup>th</sup> April 2005 for land acquisition for Lots 74076, 74077, 74078, 74079 and 10490 [No. Hakmilik: PN 7937, 7936, 7935, 7934 and 12229]. CSSB filed an appeal on the quantum and measurement awarded to CSSB pursuant to which, PTDK had on 22.09.2005 referred the matter to Shah Alam High Court. The action by CSSB against PTDK is vide Shah Alam High Court Summons No. RT-MT1-15-88-2005 - ("KTM 2").

The Court has fixed hearing dates for KTM1 on 19.11.2009 and KTM2 on 10.09.2009. In the interim both parties are to strive to resolve the matter.

Our Solicitors are of the opinion that the probable outcome of the case would be that the Court will either maintain or increase the Award of PTDK.

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3. Central Spectrum (M) Sdn Bhd. (CSSB) filed an action against Pentadbir Tanah Daerah Klang (PTDK). PTDK awarded a sum of RM971,550.00 to CSSB on 10 May 2006 for land acquisition for Lot 24082. Pajakan Negeri 7942 (Marine).

CSSB filed on appeal on the quantum and measurement awarded to CSSB. The action by CSSB against PTDK is vide Shah Alam High Court Summons No. RT1-Mt1-15-154-2006. The court has fixed hearing date on 24.09.2009.

4. Central Spectrum (M) Sdn Bhd. (CSSB) filed an action against Pentadbir Tanah Daerah Klang (PTDK). PTDK awarded a sum of RM58,560,112.89 to CSSB on 28 January 2009 for 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).

CSSB filed an appeal on the quantum and measurement awarded to CSSB. The action by CSSB against PTDK is vide Shah Alam High Court Summons No. MT4-15-110-2009- South Klang Valley Express Way (SKVE). The Court has fixed hearing date on 28.08.2009.

**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 against Perbadanan Kemajuan Pertanian Selangor ("PKPS"), SAP Holdings Berhad ("SAP") and Desa Hilir Sdn Bhd ("DHSB") [collectively referred as the Defendants] on 20.07.2000 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<sup>th</sup> 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 purported SPA was executed solely by DHSB on behalf of DHSB, PKPS and SAP as the Vendor and UDSB as the Purchaser. Neither SAP nor PKPS were aware of the said transaction nor did they give their consent to the purported sale of the Dengkil Land. DHSB had also added the Selangor State Government and the Menteri Besar of Selangor as third parties to the proceeding.

UDSB has also claimed in the alternative for a refund of all monies paid by UDSB to DHSB totaling RM7,228,000.00 with interest at 8% per annum from 25.04.2000 as well as damages for breach of contract.

SAP Solicitors have confirmed that UDSB has not quantified the damages it is seeking from the Defendants other than having submitted an unsigned and undated Feasibility Study report stating that a Profit Before Tax of RM197,552,303.00 could be earned in a possible mixed development to be undertaken on the Dengkil Land.

SAP Solicitors are of the opinion that the Feasibility Study Report is unsubstantiated and purely speculative in nature.

SAP Solicitors have confirmed that the Court has heard the evidence of PKPS's witness, Mr. Thangavelu and DHSB's witness En. Samsuni bin Idris. Meanwhile UDSB after calling its one and only witness, has closed its case.

The trial Judge for this matter, Y.A. Dato' Alizatul Khair bte Osman Khairuddin has been transferred to

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the Kuala Lumpur High Court so the Solicitors are awaiting for directions as to whether the trial would be continued before the same Judge or otherwise.

The cross examination of DW1 closed on 22 July 2009. The case is fixed for continued hearing on 8 and 9 December 2009. SAP had identified Mr Jeffrey Foo and En Maslan Urmin as SAP witnesses for the case.

2. Menara Setia Sdn Bhd ("MSSB") initiated an action against SAP Ulu Yam Sdn Bhd ("SUY"), an indirect subsidiary of KHSB vide Kuala Lumpur High Court Suit No. D3-22-2111-2002 on 31.12.2002 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.

Our Solicitors informed us that the full trial for the above matter is over whereby parties have closed their case. MSSB had called 2 witnesses to testify and SUY had called 2 witnesses also, one Engineer from SAP (Tn. Hj. Md Hizir Zabidi) and a Consultant Engineer from Sufian Lee Perunding Sdn Bhd (En. Mohd Noor Izham Bin Abdul Kadir).

The Court has fixed 28.05.2009 for our Solicitors to file Written Submission and 16.6.2009 for MSSB's Solicitors to file Written Submission and our Solicitors are to reply by 30.06.2009.

Based on all relevant evidence adduced and witnesses position during the hearing of case, SUY's counsel is of the opinion that SUY should consider an out of court settlement which could provide a potential saving of interests claim (calculated on the judgment sum at 8% p.a from 22 April 1998 up to the date of judgment and legal costs).

The case has been now adjourned for decision on 17 September 2009. The Plaintiff had filed its written submission.

3. Mazli Mohamed, a former employee of Central Holdings Management Services Sdn Bhd ("CHMS") (a subsidiary company of SAP) who had resigned from CHMS instituted proceedings against SAP Holdings Berhad ("SAP") vide Industrial Court Suit No. 7/4-480/98 on 5.09.1998 seeking reinstatement to his former job as a General Manager in CHMS or in the alternative, compensation for purported wrongful dismissal alleging that the resignation notice he tendered on 19.02.1998 was an involuntary act.

The previous Industrial Court Chairman disallowed SAP's Solicitor to cross-examine the Claimant (Mazli Mohamed). SAP's Solicitors filed for judicial review at the Kuala Lumpur High Court and an Order was given in favour of SAP to cross examine the Claimant and the case to be heard before a new Chairman.

The new Chairman fixed the matter for Hearing on 9.12.2008 and 12.12.2008 without consulting the Solicitors. The next Hearings date were fixed on 21.01.2009 and 22.01.2009, followed by 26.03.2009 and 22.04.2009. Our Solicitor have examined all other witnesses on the previous hearing dates and on 25.05.2009 our Solicitor had cross examined the Claimant.

Both parties have closed their case respectively. The Case is fixed for further mention on 01.09.2009 for the Court to prepare the Notes of Evidence and thereafter Solicitors for both parties to file their Written Submissions respectively.

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 court awards judgment in favour of the Claimant, the quantum of



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damages is estimated at RM300,000 excluding interests and costs.

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 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").

Vide a letter of Award dated 18.9.2001, CGE was awarded the Project for the contract sum of RM21,033,000.00. The date of completion of the Project was on 31.03.2003. However, the Project has not been completed by CGE.

SAP filed an Application at the Court for stay of proceedings for the case to be referred to Arbitration as provided under the Conditions of Contact for the Project. SAP's Application for stay of proceedings was allowed by the Senior Assistant Registrar ("SAR") on 11.05.2007. CGE then filed an Appeal to the Judge In Chambers against SAR's decision and the said Appeal was fixed for Clarification and Decision on 20.01.2009. However, this case was not listed in Court and the Plaintiff's Solicitors have written to the Court for a new date.

The Plaintiff case was struck out on 18 August 2009. The plaintiff reserves the right to appeal against the High Court decision.

5. Joginder Singh & Co. ("JSC") filed an Originating Summons on 10.07.2007 against Kumpulan Hartanah Selangor Berhad ("KHSB"), Brisdale Holdings Berhad ("BHB") and Brisdale Rasa Development Sdn Bhd ("BRD") (hereinafter collectively referred to as "the Defendants") vide Kuala Lumpur High Court Originating Summons No. S2-24-65-2007 for a declaration of liability to pay JSC the sum of RM2,262,500.00 purportedly being the outstanding legal fees and disbursements in respect of the case - Brisdale Rasa Development Sdn Bhd -v-Silver Concept Sdn Bhd.

KHSB and BHB have filed an Application to strike out JSC's Originating Summons.. The court had on 6 July 2009 dismissed KHSB application to strike out the Plaintiff's claim with costs. KHSB is appealing against the decision.

In respect of the Originating Summons, the court has given the following directions;

- (a) The case is fixed for further mention on 4 September 2009 for both parties to file their respective written submission; and
- (b) By 14 September 2009 for hearing before the Honourable judge.

Note: Our Solicitors have discharged themselves from acting for BHB and BRD on 25.11.2008.

6. AmFinance Berhad [now known as AmBank (M) Berhad] ("AMF") has instituted foreclosure proceedings against SAP Holdings Berhad ("SAP") on 16.08.2002 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

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in favour of AMF as security for the loan facility of RM17.0 million granted by AMF to Cergas Tegas Sdn Bhd ("CTSB") pursuant to a Joint Venture Agreement dated 12.01.1991 entered into between SAP and CTSB. AMF has been seeking an order for sale of the Gombak Land arising from CTSB's default in payment of the said facility. SAP has taken steps to oppose the foreclosure proceedings and has also proceeded to take the necessary legal action to protect its beneficial interest on the Gombak Land.

The case is now fixed for Hearing on 27.08.2009 in respect of the application to intervene by CTSB.

7. Cergas Tegas Sdn Bhd ("CTSB") filed an action on 16.02.2004 vide Kuala Lumpur High Court No. S2-22-185-2004 against SAP Holdings Berhad ("SAP") and Star Everest Sdn Bhd ("SESB") alleging that SAP's termination of the joint venture agreement and the agreements ancillary thereto ("JVA") due to CTSB's breach of four (4) fundamental conditions of the JVA was wrongful and claimed for the transfer of the ownership of the Gombak Land to CTSB (even though the balance of the consideration is still unpaid by CTSB to SAP together with interest and other costs involved), damages to be assessed and the purported loss of profits of approximately RM350.0 million.

SAP has filed its defence and made a counterclaim against CTSB for the said four (4) fundamental breaches of the JVA by CTSB and claiming amongst others, for the return of vacant possession of the Gombak Land, damages in the sum totaling to approximately RM399.0 million and an indemnity against all claims in the foreclosure proceedings.

An ex-parte injunction was granted by the Kuala Lumpur High Court vide Civil Suit No. S6-22-280-2006 on 17.04.2006 against SAP in relation to the Gombak Land. SAP has taken action to oppose the said ex-parte injunction. The Kuala Lumpur High Court vide Civil Suit No. S2-22-185-2004 has granted SAP an ex-parte injunction against CTSB on 9.04.2007 and the Court has in the interim, also granted an Ad Interim Injunction in favor of SAP against CTSB until the disposal of the said inter-parties hearing of the injunction application.

CTSB has filed an application vide Kuala Lumpur High Court Suit No. S2-22-185-2004 to set aside the Ad Interim Injunction obtained in favour of SAP on 21.5.2007 and the hearing date is to be fixed after the disposal of the Application for Consolidation of both Civil Suits (S2-22-185-2004 and S6-22-280-2006) whereby the Solicitors filed for Consolidation at both Courts. The Court granted the Order for Consolidation on 22.02.2008 whereby Civil Suit No. S2-22-185-2004 is to be consolidated with Civil Suit No. S6-22-280-2006.

The case is now fixed for mention on 4 September 2009 for all enclosures as below;

- (i) Inter Parties Injunction (Enclosure 4);
  - (ii) The First Defendant's Application to set aside the Plaintiff's Ex-Parte Injunction (Enclosure 11);
  - (iii) The Second Defendant's Application to set aside the Plaintiff's Ex-Parte Injunction (Enclosure 16);
  - (iv) The Application for Consolidation (Enclosure 31); and
  - (v) First Defendant's Striking Out Application (Enclosure 21).
8. 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. A memorandum of Appearance has been filed by the Solicitors of SAP on 06.06.2008 and TPGR on 26.05.2008 respectively. Both SAP and TPGR filed their Defence respectively on 11.07.2008.

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PJM filed for Summary Judgment Application on 29.07.2008 claiming for refund of Retention Sum of RM1,095,400.39 together with cost and interest. The Plaintiff's Application is fixed for hearing on 27.07.2009.

SAP and TPGR filed Application to strike out Plaintiff's claim on 18.03.2009. The sealed copy of the said Application is pending extraction from the Court. No hearing date fixed yet.

Our 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.

9. Muhammad Zailani and 124 others (the Claimants") instituted proceedings in the Labour Office against Central Holdings management Services Sdn Bhd ("CHMS"). CHMS is a wholly owned subsidiary of SAP Holdings Sdn Bhd which in turn is a wholly owned subsidiary of the Company.

Their claims are in respect of computation of wages which allegedly should include service charges. The labour office ordered CHMS to pay a sum of RM651,607.51 to the Claimants as part of the termination benefits.

CHMS appealed to the High Court and the High Court allowed CHMS appeal on the ground that the Labour Court's decision was erroneous as there was no actual hearing of the case. The case was remitted back to the Labour Court for assessment of the quantum of termination benefits and the eligibility of the Claimants.

The Claimants are appealing to the Court of Appeal and no date has been fixed yet.

**B12 Dividends**

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

**B13 Earning per share**

The basic earning per share of the Group for the current quarter of 2.10 sen is calculated based on consolidated profit attributable to equity holders of the Company of RM9.45 million and number of ordinary shares in the financial year of 450 million.

**BY ORDER OF THE BOARD**

**NORLIDA JAMALUDIN**  
**COMPANY SECRETARY**

Date: 26 August 2009

**KUMPULAN HARTANAH SELANGOR BERHAD**

Company No. 559747-W

(Incorporated in Malaysia)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER  
ENDED 30<sup>th</sup> JUNE 2009**

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**Kelulusan Pengumuman :**

Keputusan Kewangan Bagi Suku Kedua Berakhir 30hb Jun 2009 ini diluluskan untuk pembentangan kepada Lembaga Pengarah dan Jawatankuasa Audit dan seterusnya pengumuman kepada Bursa Malaysia Securities Berhad.

**Ching Hong Seng**  
**Pengurus Besar - Kewangan**

Tarikh: 26 Ogos 2009