

**PJ DEVELOPMENT HOLDINGS BERHAD (COMPANY NO. 5938-A)  
QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2008**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**A1 Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ('FRS') 134 'Interim Financial Reporting' and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2008.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2008.

**A2 Audit Qualification**

The audit report of the Group's preceding annual financial statements was not qualified.

**A3 Seasonal or Cyclical Factors**

The businesses of the Group were not materially affected by any significant seasonal or cyclical factors during the financial period under review.

**A4 Unusual Items**

There were no items affecting assets, liabilities, equity, net income and cash flows of the Group that are unusual due to their nature, size or incidence for the current quarter and financial period-to date.

**A5 Material Changes in Estimates of Amounts Reported**

There were no material changes in estimates of amounts reported in prior interim periods of the current financial quarter or in prior financial years that have a material effect in the current financial period.



**A9 Material Events Subsequent to the Balance Sheet Date**

There was no material event subsequent to the end of the financial period under review.

**A10 Changes in the Composition of the Group**

There were no major changes in the composition of the Group for the financial period under review including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

**A11 Changes in Contingent Liabilities or Contingent Assets**

There were no major changes in the contingent liabilities or contingent assets of the Group since the previous annual financial statements.

**A12 Valuation of Property, Plant and Equipment**

The Group did not perform any valuation on property, plant and equipment since the previous annual financial statements.

**A13 Capital Commitments**

Capital commitment not provided for in the financial statements as at 31 December 2008 is as follows:

	<u>RM'000</u>
Property, plant and equipment	
Contracted but not provided for in the financial statements	4,686
	=====
Land held for development	
Contracted but not provided for in the financial statements	3,818
	=====

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B1 Review of the Performance**

For the second quarter ended 31 December 2008, the Group achieved a profit before tax and before share of associate's profit of RM9.87 Million as compared to RM19.18 Million for the corresponding quarter in the previous financial year. The soft market conditions have affected the performance of our businesses.

The current quarter's profit of RM9.87 Million is however an improvement over the immediate preceding quarter's profit of RM7.10 Million.

**B2 Current Year Prospects**

The Group is facing a challenging year in 2009 from the slow down of the global economy and financial crisis. To mitigate the impact, various efforts have been taken to improve operational efficiencies to ensure that the Group remains profitable and financially strong.

**B3 Profit Forecast**

Not applicable as no profit forecast was published.

**B4 Tax Expense**

Taxation comprises:

	CURRENT QUARTER		CUMULATIVE QUARTER	
	ENDED	ENDED	ENDED	ENDED
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM '000	RM '000	RM'000	RM '000
Current tax expense				
Malaysia - current year	2,764	5,906	5,522	10,441
- prior year	-	-	17	(7)
Overseas - current year	-	229	-	317
Deferred tax expense				
Origination and reversal of temporary differences	40	73	(1)	71
	<u>2,804</u>	<u>6,208</u>	<u>5,538</u>	<u>10,822</u>

The Group's effective tax rate for the period under review is higher than the statutory tax rate mainly due to certain expenses not allowed for tax deduction.

**B5 Unquoted Investment and Properties**

There were no sales of unquoted investments and properties during the financial period under review.

**B6 Quoted Investments**

There were no purchases and sales of quoted shares during the financial period under review other than the distribution-in-specie which was carried by an investee company of the Group.

(a) Investment in quoted securities as at 31 December 2008:

	RM '000
At cost	62,325
Allowance for diminution in value	<u>(15,873)</u>
	<u>46,452</u>
At market value	<u>30,694</u>

**B7 Status of Corporate Proposals**

No corporate proposals have been announced but not completed at the latest practical date.

## B8 Group Borrowings and Debt Securities

Total Group borrowings as at 31 December 2008 are as follows:

	Foreign Currency '000	RM Equivalent '000
Current		
Secured		132,412
Unsecured		
- denominated in US Dollar (USD)	136	482
- denominated in Ringgit Malaysia (RM)		<u>67,696</u>
		<u>200,590</u>
Non-current		
Secured		146,263
Unsecured		
- denominated in US Dollar (USD)	769	2,646
		<u>148,909</u>
Total :		<u><u>349,499</u></u>

## B9 Off Balance Sheet Financial Instruments

As at 24 February 2009, the Group does not have any financial instruments with off balance sheet risk.

## B10 Changes in Material Litigation

Swiss-Garden International Vacation Club Berhad ("SGIVCB"), a wholly owned subsidiary of the Company has initiated a civil suit against Swiss Marketing Corporation Sdn. Bhd. ("the external agent").

The civil suit taken by SGIVCB against the external agent was in respect of the wrongful repudiation of the Marketing Agreement entered into by the parties on 2 July 2001, resulting in SGIVCB suffered a loss and damage inter-alia amounting to a total of RM5,280,334. In this civil suit, the external agent has filed a counter claim against SGIVCB.

The counter claim by the external agent against SGIVCB was dismissed with cost by the judge on 9 March 2007.

The Case Management in respect of the civil suit taken by SGIVCB against the external agent has been further postponed to 10 March 2009.

## B11 Dividend

No dividend is proposed for the financial period under review.

## B12 Basic Earnings Per Share

The calculation of basic earnings per share is based on the net profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the period, after taking into consideration of treasury shares held by the Company.

The diluted earnings per share are not shown as the exercise price of the warrants was higher than the market price of the ordinary shares as at the balance sheet date.

## By Order of the Board

**Leong Keng Yuen**  
**Wong Tiew Kim**  
Secretaries