

**PJ DEVELOPMENT HOLDINGS BERHAD (COMPANY NO. 5938-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2009**

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' issued by the Malaysian Accounting Standards Board 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 2009.

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 2009 except for the adoption of *FRS 8 Operating Segment* and the consequential amendments resulting from FRS 8 which are mandatory for annual financial periods beginning on or after 1 July 2009.

The adoption of FRS 8 does not have a material financial effect on the financial position of the Group.

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.

A6 Debt and Equity Securities

There were no significant changes in the debt and equity securities and no shares buy-back, share cancellation and resale of treasury shares for the period under review.

On 23 November 2005, the shareholders of the Company have approved the authority to the Company to repurchase up to 10% of its own shares. The authority granted by the shareholders was subsequently renewed during each subsequent annual general meeting and the latest renewal was on 26 November 2009.

During the period under review, there were no re-purchase of shares.

A6 Debt and Equity Securities (Continued)

As at 30 September 2009, the total of 475,000 shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The Company may distribute the treasury shares as dividend to the shareholders or re-sell the treasury shares in the market in accordance with the Rules of Bursa Malaysia Securities Berhad or cancel the shares in accordance with Section 67A of the Companies Act, 1965.

The Company has neither made any resale nor any cancellation of its treasury shares.

A7 Dividend paid

No dividend is proposed for the period under review.

The first and final dividend of 3 sen per ordinary share less tax in respect of the financial year ended 30 June 2009 which was approved by the shareholders at the Annual General Meeting held on 26 November 2009 will be paid on 3 February 2010.

A8 Segmental Reporting

Segment information for the period to date:

	Properties RM'000	Construction RM'000	Manufacturing & Trading		Hotels & Leisure RM'000	Investment Holding RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
			- Cable RM'000	- Building Material RM'000					
Revenue from external customers	80,253	31,521	22,793	6,195	21,884	-	18	-	162,664
Inter-segment revenue	6,145	49,978	-	2,506	13	825	220	(59,687)	-
Total revenue	<u>86,398</u>	<u>81,499</u>	<u>22,793</u>	<u>8,701</u>	<u>21,897</u>	<u>825</u>	<u>238</u>	<u>(59,687)</u>	<u>162,664</u>
Segment result	<u>12,132</u>	<u>1,747</u>	<u>3,884</u>	<u>446</u>	<u>2,675</u>	<u>(1,426)</u>	<u>(81)</u>	<u>90</u>	<u>19,467</u>
Financing costs									(1,745)
Interest income									387
Share of profit of equity accounted associates									242
Profit before taxation									<u>18,351</u>
Tax expense									<u>(4,522)</u>
Net profit for the period									<u><u>13,829</u></u>

A9 Material Events Subsequent to the Balance Sheet Date

There were no material events that have not been reflected in the financial statements for the period under review, except as disclosed below :

On 26 October 2009, OSK Investment Bank Berhad, the adviser, on behalf of the Company had announced that OCC Cables Berhad ('OCB'), a wholly-owned subsidiary of the Company has proposed to seek listing on the Main Market of Bursa Malaysia Securities Berhad.

OCB was incorporated as an investment company to facilitate the listing of the cables and wires division of the Group, housed under the following subsidiaries :

- Olympic Cables Company Sdn. Bhd. and its wholly-owned subsidiaries, namely Olympic Cable (Singapore) Pte Ltd and OVI Cables (Vietnam) Co., Ltd; and
- PJ Exim Sdn. Bhd.

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, except for the acquisition of the entire issued and paid-up share capital of OCC Cables Berhad ('OCB') on 24 September 2009 comprising 4 ordinary shares of RM0.50 each at cash.

As part of the proposed listing as stated in A9 above, the Company had on 5 November 2009 completed an internal restructuring and re-organisation exercise which involve the acquisition of the entire equity interest in Olympic Cable Company Sdn Bhd and PJ Exim Sdn Bhd by OCB by way of issuance of 123,049,996 new ordinary shares of RM0.50 each to the Company as the consideration for the acquisition. The issued and paid-up share capital of OCB after the internal restructuring and re-organisation exercise is 123,050,000 ordinary shares of RM0.50 each and OCB shall remain as a wholly-owned subsidiary of the Company until the completion of the proposed listing exercise.

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 30 September 2009 is as follows:

	<u>RM'000</u>
Property, plant and equipment	
Contracted but not provided for in the financial statements	2,649
	<u> </u>

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1 Review of the Performance

For the first quarter ended 30 September 2009, the Group achieved a profit before tax and share of profit of associate companies of RM18.11 million as compared to RM7.10 million for the corresponding quarter in the previous financial year. The better performance for the current quarter is mainly contributed by the properties division with higher profits recognised resulting from higher sales and percentage of completion.

B2 Current Year Prospects

With signs of recovery of the economic conditions in the country, the Group is confident that it is able to remain profitable in the financial year under review.

B3 Profit Forecast

Not applicable as no profit forecast was published.

B4 Tax Expense

Taxation comprises:

	CURRENT QUARTER		CUMULATIVE QUARTER	
	ENDED	ENDED	ENDED	ENDED
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	RM '000	RM '000	RM'000	RM '000
Current tax expense				
Malaysia - current year	4,479	2,758	4,479	2,758
- prior year	-	17	-	17
Overseas - current year	45	-	45	-
Deferred tax expense				
Origination and reversal of temporary differences	(2)	(41)	(2)	(41)
	<u>4,522</u>	<u>2,734</u>	<u>4,522</u>	<u>2,734</u>

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 out by an investee company of the Group.

(a) Investment in quoted securities as at 30 September 2009:

	RM '000
At cost	61,843
Allowance for diminution in value	<u>(15,616)</u>
	<u>46,227</u>
At market value	<u>46,071</u>

B7 Status of Corporate Proposals

No corporate proposal has been announced but not completed at the latest practical date other than the proposed listing of OCB on the Main Market of Bursa Malaysia Securities Berhad as mentioned in A9 which is pending the approvals from the Securities Commission and other regulatory authorities.

B8 Group Borrowings and Debt Securities

Total Group borrowings as at 30 September 2009 are as follows:

	Foreign Currency '000	RM Equivalent '000
Current		
Secured		173,506
Unsecured		
- denominated in US Dollar (USD)	181	620
- denominated in Ringgit Malaysia (RM)		<u>43,395</u>
		<u>217,521</u>
Non-current		
Secured		122,249
Unsecured		
- denominated in US Dollar (USD)	648	2,223
- denominated in Ringgit Malaysia (RM)		<u>3,035</u>
		<u>127,507</u>
Total :		<u>345,028</u>

B9 Off Balance Sheet Financial Instruments

As at 20 November 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.

Both parties attended the Case Management on 16 June 2009 and trial were held on 2, 3, 19 and 20 November 2009. The judge has fixed 14, 15, 26 and 27 January 2010 for further trial.

B11 Dividend

No dividend is proposed for the 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