

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

On 23 November 2005, the shareholders of the Company had 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 financial period under review, there were no re-purchase of shares.

## A6 Debt and Equity Securities (Continued)

As at 31 December 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 financial 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 was 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	160,891	63,455	53,728	12,094	44,576	839	56	-	335,639
Inter-segment revenue	12,179	75,950	-	5,773	52	1,650	506	(96,110)	-
Total revenue	<u>173,070</u>	<u>139,405</u>	<u>53,728</u>	<u>17,867</u>	<u>44,628</u>	<u>2,489</u>	<u>562</u>	<u>(96,110)</u>	<u>335,639</u>
Segment result	<u>23,760</u>	<u>3,754</u>	<u>8,910</u>	<u>966</u>	<u>6,095</u>	<u>(2,384)</u>	<u>967</u>	<u>(367)</u>	<u>41,701</u>
Financing costs									(3,904)
Interest income									874
Share of profit of equity accounted associates									474
Profit before taxation									<u>39,145</u>
Tax expense									<u>(9,153)</u>
Net profit for the period									<u><u>29,992</u></u>

## A9 Material Events Subsequent to the Balance Sheet Date

There were no material events 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, 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.

Subsequently, as part of the proposed listing, the Group 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 completion of 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 which is now pending for the approvals from the Securities Commission and other regulatory authorities.

**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 2009 is as follows:

	<u>RM'000</u>
Property, plant and equipment	
Contracted but not provided for in the financial statements	1,345
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**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B1 Review of the Performance**

For the second quarter ended 31 December 2009, the Group achieved a profit before tax and share of profit of associate companies of RM20.56 million as compared to RM9.87 million for the corresponding quarter in the previous financial year. The improvement of performance for the current quarter was mainly due to better performance by all divisions, the properties division, in particular as a result of higher sales and higher percentage of completion from its several launched projects.

This quarter's performance is also better than the preceding quarter's result of RM18.1 million.

**B2 Current Year Prospects**

Barring unforeseen circumstances and with various efforts and measures undertaken by the Group, the Board is confident that the performance for the financial year under review will be better than previous year.

**B3 Profit Forecast**

Not applicable as no profit forecast was published.

**B4 Tax Expense**

Taxation comprises:

	CURRENT QUARTER		CUMULATIVE QUARTER	
	ENDED	ENDED	ENDED	ENDED
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	RM '000	RM '000	RM'000	RM '000
Current tax expense				
Malaysia - current year	4,490	2,764	8,969	5,522
- prior year	-	-	-	17
Overseas - current year	143	-	188	-
Deferred tax expense				
Origination and reversal of temporary differences	(2)	40	(4)	(1)
	<u>4,631</u>	<u>2,804</u>	<u>9,153</u>	<u>5,538</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 31 December 2009:

	RM '000
At cost	61,843
Allowance for diminution in value	<u>(15,616)</u>
	<u>46,227</u>
At market value	<u>53,903</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, a wholly-owned subsidiary of the Company, on the Main Market of Bursa Malaysia Securities Berhad which was announced on 26 October 2009. The proposed listing is pending for the approvals from the Securities Commission and other regulatory authorities.

**B8 Group Borrowings and Debt Securities**

Total Group borrowings as at 31 December 2009 are as follows:

	Foreign Currency '000	RM Equivalent '000
Current		
Secured		189,634
Unsecured		
- denominated in US Dollar (USD)	181	582
- denominated in Ringgit Malaysia (RM)		22,876
		<u>213,092</u>
Non-current		
Secured		
Unsecured		103,305
- denominated in US Dollar (USD)	603	1,941
- denominated in Ringgit Malaysia (RM)		2,678
		<u>107,924</u>
Total :		<u>321,016</u>

**B9 Off Balance Sheet Financial Instruments**

As at 22 February 2010, 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. (“external agent”) for wrongful repudiation of the Marketing Agreement entered into by the parties on 2 July 2001.

In the civil suit, SGIVCB claims against the external agent for, inter alia, loss and damage amounting to RM5,280,344. The external agent has also filed a counterclaim against SGIVCB.

On 8 August 2006, the Court dismissed the summary judgment application filed by the external agent with costs (“Decision”). The external agent appealed against the Decision. On 9 March 2007, the Court dismissed the appeal by the external agent with costs.

Trial of the civil suit proceeded on 2, 3, 19 and 20 November 2009. However, due to insufficient time for the witnesses, the Court had fixed the civil suit for continued trial on 14, 15, 25, 26 and 27 January 2010.

On 27 January 2010, the Court informed that directions for submissions and the decision of the civil suit will be informed in due course.

**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