

**PJ DEVELOPMENT HOLDINGS BERHAD (COMPANY NO. 5938-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2010**

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 Segments* 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 results and 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 year 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 year.

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 year 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 year under review, there were no re-purchase of shares.

A6 Debt and Equity Securities (Continued)

As at 30 June 2010, a 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

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 year to date:

	Properties	Construction	Manufacturing & Trading		Hotels & Leisure	Investment Holding	Others	Eliminations	Consolidated
	RM'000	RM'000	- Cable RM'000	- Building Material RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	284,824	147,412	121,807	23,337	85,552	2,775	121	-	665,828
Inter-segment revenue	18,920	123,792	6	12,588	130	15,800	1,007	(172,243)	-
Total revenue	303,744	271,204	121,813	35,925	85,682	18,575	1,128	(172,243)	665,828
Segment result	46,050	8,225	16,693	1,179	9,045	113	965	(2,285)	79,985
Financing costs									(8,752)
Interest income									2,091
Share of profit of equity accounted associates									1,003
Profit before taxation									74,327
Tax expense									(21,646)
Net profit for the year									52,681

A9 Material Events Subsequent to the Balance Sheet Date

On 26 July 2010, the Company announced the following proposals:-

- (i) a renounceable rights issue of up to 213,811,972 New Warrants in the Company ("New Warrants") to the entitled shareholders of the Company on the basis of three (3) New Warrants for every eight (8) existing ordinary shares of RM1.00 each held on an entitlement date to be determined later at an issue price of RM0.02 per New Warrant; and
- (ii) a restricted issue of up to 42,762,337 New Warrants to the entitled holders of Unexercised 2000/2010 Warrants B on 29 October 2010 ("Expiry Date") on the basis of three (3) New Warrants for every eight (8) Unexercised 2000/2010 Warrants B held on the Expiry Date at an issue price of RM0.02 per New Warrant.

The proposals are subject to the approval of the shareholders to be obtained at an Extraordinary General Meeting of the Company to be convened and the approval of other relevant authorities.

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 of OCB on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). The proposed listing was approved by the shareholders of the Company and the Securities Commission (“SC”) on 26 November 2009 and 24 February 2010 respectively subject to certain terms and conditions imposed by SC to be complied which were announced to Bursa Securities on 25 February 2010.

On 17 August 2010, the Company announced that the Board of Directors does not intend to proceed with the proposed listing and consequently allowed the SC’s approval to lapse on 23 August 2010.

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 June 2010 is as follows:

	<u>RM'000</u>
Property, plant and equipment	
Contracted but not provided for in the financial statements	1,487
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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1 Review of the Performance

For the fourth quarter ended 30 June 2010, the Group achieved a profit before tax and share of profit of associates of RM22.04 million as compared to RM17.82 million for the corresponding quarter in the previous financial year, with better results from Properties and Construction Divisions as compared to last year.

Current quarter's result was also better than the preceding quarter's RM12.62 Million, an increase of RM9.42 million or 74.6%.

For the financial year to date, the Group registered a profit before tax and share of associates of RM73.32 million against RM35.05 million for the previous financial year. This represents an increase of RM38.27 million or 109.2%. Major contributor for the significant improvement of result is the Properties Division with higher profits from the Swiss-Garden Residences and Impian Meridian projects and rental income from the leasing of Menara PJD.

B2 Prospects

While the worst of the economic downturn appears to be over, the year ahead will still be challenging. Sentiments may remain cautious amidst uncertainties due to ongoing sovereign debt problems in Europe. The Board, whilst remaining vigilant, is positive that PJD Group would continue to be profitable. Earnings would mainly be contributed by Properties, Manufacturing, Hotel and Leisure Divisions.

B3 Profit Forecast

Not applicable as no profit forecast was published.

B4 Tax Expense

Taxation comprises:

	CURRENT QUARTER		CUMULATIVE QUARTER	
	ENDED	ENDED	ENDED	ENDED
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	RM '000	RM '000	RM'000	RM '000
Current tax expense				
Malaysia - current year	6,084	1,487	18,699	9,113
- prior year	170	583	350	613
Overseas - current year	173	-	358	-
- prior year	699	-	699	-
Deferred tax expense				
Origination and reversal of temporary differences	1,546	5,025	1,540	5,021
	8,672	7,095	21,646	14,747

B5 Unquoted Investment and Properties

There were no sales of unquoted investments and properties other than the disposal of investment properties which resulted in a gain of RM1,053,000 for the financial year-to-date.

B6 Quoted Investments

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

Investment in quoted securities as at 30 June 2010:

	RM '000
At cost	61,843
Allowance for diminution in value	<u>(12,122)</u>
At book value	<u>49,721</u>
At market value	<u><u>50,286</u></u>

B7 Status of Corporate Proposals

No corporate proposal has been announced but not completed at the latest practical date other than the following:-

- (a) the proposed listing of OCC Cables Berhad ("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 was approved by the shareholders of the Company and Securities Commission ("SC") on 26 November 2009 and 24 February 2010 respectively subject to certain terms and conditions imposed by SC to be complied which were announced to Bursa Securities on 25 February 2010. On 17 August 2010, the Company announced that the Board of Directors does not intend to proceed with the proposed listing and consequently allowed the SC's approval to lapse on 23 August 2010.
- (b) the proposed issue of New Warrants which involves:-
 - i. the renounceable rights issue of up to 213,811,972 New Warrants in the Company to the entitled shareholders of the Company on the basis of three (3) New Warrants for every eight (8) existing ordinary shares of RM1.00 each held on an entitlement date to be determined later, and
 - ii. the restricted issue of up to 42,762,337 New Warrants to the entitled holders of Unexercised 2000/2010 Warrants B on 29 October 2010 ('Expiry Date') on the basis of three (3) New Warrants for every eight (8) Unexercised 2000/2010 Warrants B held on the Expiry Date.

The proposal (b) (i) and (ii) are pending the approvals of the shareholders to be obtained at an Extraordinary General Meeting of the Company to be convened and the approval of the relevant authorities.

B8 Group Borrowings and Debt Securities

Total Group borrowings as at 30 June 2010 are as follows:

	Foreign Currency '000	RM Equivalent '000
Current		
Secured		189,625
Unsecured		
- denominated in US Dollar (USD)	181	591
- denominated in Ringgit Malaysia (RM)		16,697
		<u>206,913</u>
Non-current		
Secured		95,449
Unsecured		
- denominated in US Dollar (USD)	513	1,675
- denominated in Ringgit Malaysia (RM)		1,970
		<u>99,094</u>
Total :		<u><u>306,007</u></u>

B9 Off Balance Sheet Financial Instruments

As at 23 August 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.

On 27 January 2010, the High Court directed the parties to file submissions after full trial and a decision has been fixed for 27 August 2010.

B11 Dividend

The Board of Directors recommends a first and final dividend of 5% less tax per share for the financial year ended 30 June 2010. The entitlement date of the dividend will be announced after the approval from the shareholders is obtained at the forthcoming Annual General Meeting.

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