

**PJ DEVELOPMENT HOLDINGS BERHAD (COMPANY NO. 5938-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2012**

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 2011.

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 2011 except for the adoption of the relevant FRSs, amendments to FRSs and IC Interpretations that are effective for financial year beginning on or after 1 July 2011. The adoption of new FRSs, amendments to FRSs and IC Interpretations is either not applicable to the Group's operations or does not have a material financial impact to the financial position and results 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 24 November 2011.

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

As at 31 March 2012, a total of 475,000 shares repurchased were 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 5 sen per ordinary share less tax in respect of the financial year ended 30 June 2011 which was approved by the shareholders at the Annual General Meeting held on 24 November 2011 was paid on 11 January 2012.

A8 Operating Segments

Operating segments information for the financial period to date:

	Properties	Construction	Manufacturing & Trading - Cable	- Building Material	Hotels & Leisure	Investment Holding	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
Total Revenue	117,203	136,034	140,154	24,840	81,079	3,618	963	503,891
Inter-segment revenue	(130)	(50,493)	-	(4,097)	(23)	(2,475)	(902)	(58,120)
Revenue from external customers	<u>117,073</u>	<u>85,541</u>	<u>140,154</u>	<u>20,743</u>	<u>81,056</u>	<u>1,143</u>	<u>61</u>	<u>445,771</u>
Results								
Segment result	12,431	4,553	15,759	3,483	7,985	4,791	(410)	48,592
Finance costs	(3,099)	(664)	(254)	-	(1,854)	(375)	-	(6,246)
Interest income	767	73	152	8	22	1,274	-	2,296
Share of profit of associates	-	-	-	-	-	822	-	822
Profit before tax	<u>10,099</u>	<u>3,962</u>	<u>15,657</u>	<u>3,491</u>	<u>6,153</u>	<u>6,512</u>	<u>(410)</u>	<u>45,464</u>
Tax expense	<u>(2,710)</u>	<u>(923)</u>	<u>(4,180)</u>	<u>(329)</u>	<u>(814)</u>	<u>(307)</u>	<u>(10)</u>	<u>(9,273)</u>
Net profit for the period	<u>7,389</u>	<u>3,039</u>	<u>11,477</u>	<u>3,162</u>	<u>5,339</u>	<u>6,205</u>	<u>(420)</u>	<u>36,191</u>

A9 Material Events Subsequent to the Date of the Statement of Financial Position

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 except for the acquisition of 50% of the entire issued and paid-up share capital of Scotia Acres Sdn. Bhd. on 2 February 2012 comprising one (1) ordinary share of RM1.00 by a subsidiary company.

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 commitments not provided for in the financial statements as at 31 March 2012 are as follows:

	RM '000
Contracted but not provided for	
Property, plant and equipment	9,403
Land held for development	4,500
	<hr/>
	13,903
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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1 Review of the Performance

For the third quarter ended 31 March 2012, the Group achieved revenue and pre-tax profit of RM141.25 million and RM13.34 million as compared to RM149.07 million and RM23.30 million for the corresponding quarter in the previous financial year. The Group recorded a lower pre-tax profit against the previous corresponding quarter as a result of the lower contributions from the Properties, Construction and Hotel & Leisure Divisions compensated by higher contributions from the Manufacturing & Trading and Investment Holding Divisions.

For the financial year-to-date, the Group recorded revenue and pre-tax profit of RM445.77 million and RM45.46 million respectively as compared to RM430.93 million and RM56.89 million in the previous corresponding financial year-to-date. The profit margins of the operating divisions for the year-to-date performance were generally lower as compared to previous year.

Properties Division turned in a much lower profit in the current quarter mainly due to delay in launching of some of the projects than as originally planned.

The profit contribution for the current quarter of the Construction Division was below the previous corresponding quarter as profit margin was higher in the previous corresponding quarter, owing to upward revision of some projects upon completion.

There were improvements in both turnover as well as pre-tax profit for the Manufacturing and Trading Division for the current quarter. However, the increase in profit was not in line with the increase in revenue mainly due to customers' mix which has a lower profit margin.

For the current quarter, the hotels, resorts and inns did not perform as well as the corresponding quarter in the preceding year despite the increase in turnover from higher room inventory, mainly due to increase in operating expenses, depreciation and financing cost. However, the timeshare unit showed some improvement in results due to higher number of memberships sold during the current quarter.

The Investment Holding Division recorded a gain on disposal of long term quoted investments of RM4.14 million for the current quarter and RM11.50 million for the financial year-to-date.

B2 Comparison with Immediate Preceding Quarter

The Group's pre-tax profit for the current quarter was 17% lower as compared to the immediate preceding quarter. The higher pre-tax profit in the immediate preceding quarter was mainly attributable to higher contribution from the Hotel & Leisure Division which corresponded with the festive and holiday season in the last quarter. Other divisions except the Investment Holdings Division showed some reduction in profits in the current quarter.

B3 Prospects

Whilst the current global economic and market uncertainties continue to pose a challenge to the Group's revenue and profitability, the Board expects to maintain its level of profitability in the remaining quarter of the financial year.

B4 Profit Forecast

Not applicable as no profit forecast was published.

B5 Profit for the period

	CURRENT QUARTER		CUMULATIVE QUARTER	
	ENDED	ENDED	ENDED	ENDED
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM '000	RM '000	RM'000	RM '000
Profit for the period is arrived at after crediting / (charging) :				
Depreciation and amortisation	(6,027)	(5,159)	(18,203)	(15,223)
Dividend income	-	178	1,143	1,286
Exceptional items	-	-	-	-
Gain on disposal of long term quoted investments	4,141	970	11,498	1,091
Gain or loss on derivatives	-	-	-	-
Gain on disposal of investment properties	-	-	-	2,021
Impairment loss on trade and other receivables	(291)	(197)	(887)	(825)
Impairment of assets	-	-	-	-
Interest accretion of trade receivables	260	-	781	-
Interest expense	(1,934)	(2,269)	(6,246)	(7,758)
Interest income	717	896	2,296	2,877
Provision for and write off of receivables	(20)	-	(20)	-
Provision for and write off of inventories	-	-	-	-
Reversal of impairment loss on trade and other receivables	520	-	752	3,856
Unrealised foreign exchange loss	-	(960)	(137)	(1,171)

B6 Tax Expense

Taxation comprises:

	CURRENT QUARTER		CUMULATIVE QUARTER	
	ENDED	ENDED	ENDED	ENDED
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM '000	RM '000	RM'000	RM '000
Current tax expense				
Malaysia - current year	2,695	7,739	8,760	16,582
- prior year	(116)	(1,240)	(119)	(1,230)
Overseas - current year	208	452	602	452
Deferred tax expense				
Origination and reversal of temporary differences	18	(153)	30	(617)
	<u>2,805</u>	<u>6,798</u>	<u>9,273</u>	<u>15,187</u>

The Group's effective tax rate for the current financial period is lower than the statutory tax rate mainly due to the gain on disposal of long term quoted investments which are not taxable.

B7 Status of Corporate Proposals

No corporate proposal has been announced but not completed at the latest practical date.

B8 Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2012 are as follows:

	Foreign Currency '000	RM Equivalent '000
Current		
Secured		79,960
Unsecured		
- denominated in US Dollar (USD)	181	553
- denominated in Ringgit Malaysia (RM)		<u>27,048</u>
		<u>107,561</u>
Non-current		
Secured		219,843
Unsecured		
- denominated in US Dollar (USD)	196	599
- denominated in Ringgit Malaysia (RM)		6
		<u>220,448</u>
Total :		<u><u>328,009</u></u>

B9 Disclosure of Realised and Unrealised Profits or Losses

The retained earnings as at 31 March 2012 and 30 June 2011 is analysed as follow:

	As at 31/03/2012 RM '000	As at 30/6/2011 RM '000
Retained earnings of the Company and its subsidiaries :		
Realised	340,174	350,882
Unrealised	<u>(19,642)</u>	<u>(19,574)</u>
	320,532	331,308
Share of retained earnings from associates :		
Realised	51,976	52,056
Unrealised	<u>975</u>	<u>947</u>
	373,483	384,311
Consolidation adjustments	<u>24,511</u>	<u>(5,278)</u>
Total Group retained earnings as per consolidated accounts	<u><u>397,994</u></u>	<u><u>379,033</u></u>

B10 Changes in Material Litigation

(a) Swiss-Garden International Vacation Club Berhad vs Swiss Marketing Corporation Sdn Bhd

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

The civil suit taken by SGIVCB against the Agent was in respect of the wrongful repudiation of the Marketing Agreement entered into by the parties on 2 July 2001, which resulted in SGIVCB having suffered, amongst others, loss and damage amounting to RM5,280,344.16. In this civil suit, the Agent had filed a counter claim against SGIVCB claiming for its marketing fee, electricity and rental charges pursuant to the Marketing Agreement amounting to RM21,131,513.63, interests and costs.

After a series of court hearings, the Court allowed SGIVCB's claim against the Agent and ordered the Agent to pay damages amounting to RM5,231,706.00, damages for the loss of use of promotion materials amounting to RM48,638.16, damages for misrepresentation and loss of goodwill of SGIVCB to be assessed by a Senior Assistant Registrar, interest at 8% per annum commencing from the date when the writ was filed until full and final satisfaction and costs. The Agent appealed against the Court's award and is now pending hearing.

On the counter claim, the Court allowed the Agent's claim for the marketing fee, rental arrears amounting to RM1,840 and related costs. The amount of the said marketing fee, however, would be assessed by a qualified accountant and set off with the damages awarded to SGIVCB. On 3 September 2010, the Court appointed a qualified accountant to assess the Agent's marketing fee and subsequently fixed 6 October 2010 for mention to monitor the assessment exercise.

On 17 November 2011, the Court ordered that the Agent's claim for the marketing fee be allowed at RM7,880,426.00 with interests at the rate of 4% per annum from 22 August 2009 until full settlement. SGIVCB appealed to the Court of Appeal against the Court's award.

On 30 April 2012, the Court of Appeal allowed SGIVCB's appeal and set aside the Court's award given on 17 November 2011. The Court of Appeal further ordered that the amount of the marketing fee due to the Agent be remitted to the High Court for re-determination.

The Board of Directors are of the opinion that, after taking into consideration the damages of RM5,280,344.16 and the damages for misrepresentation and loss of goodwill together with the accrued interests awarded by the Court to SGIVCB, the decision of the Agent's claim by the High Court will not have material impact on the financial statements of the Group.

B10 Changes in Material Litigation (continued)

(b) Karisma Sempurna Sdn Bhd, Koperasi Perumahan Kluang Berhad and Wonderful Mineral Resources Sdn Bhd vs PJD Pravest Sdn Bhd

PJD Pravest Sdn Bhd, a wholly owned subsidiary of the Company (“Pravest”) discovered trespass on its land held under H.S.(D) No. 18906 P.T. 1664, Mukim Penor, District of Kuantan, Pahang (“Land”) and lodged a police report on 5 March 2011.

Subsequently, it was discovered that there was a purported joint venture agreement dated 29 July 2010 (“JVA”) with Karisma Sempurna Sdn Bhd, Koperasi Perumahan Kluang Berhad and Wonderful Mineral Resources Sdn Bhd (“Plaintiffs”) to cultivate the Land for 30 years. Pravest also lodged a police report against the alleged involvement in the JVA.

The Plaintiffs initiated a civil suit against Pravest, seeking to enforce the purported JVA (“Suit”).

Meanwhile, the Plaintiffs in the same Suit, also claim, among others, for (i) an order for permanent injunction prohibiting Pravest and/or its directors and/or agents from leasing or selling or from dealing with the Land in any way until the expiry of the lease, (ii) an order for permanent injunction prohibiting Pravest or its workers or agents from entering the Land or interfering or stop or attempt to stop the Plaintiffs from cultivating the Land and (iii) an order for specific performance that Pravest comply with the terms and conditions of the JVA.

The Plaintiffs filed an interlocutory application for an interim injunction, until the disposal of the Suit, which was allowed by the High Court with costs (“Injunction Order”).

Pravest filed a Notice of Appeal to the Court of Appeal against the High Court Injunction Order (“Appeal”) and an application to vary the Injunction Order (“Pravest’s Application”). On 9 March 2012, the Court allowed to vary the Injunction Order, *allowing inter alia*, Pravest to take necessary steps to maintain the infrastructures built and the oil palm seedings that have been planted on the land (“Variation Order”).

In view of the Variation Order, on 2 May 2012, Pravest has withdrawn the Appeal against the Injunction Order.

The full trial for the Suit commenced on 2 April 2012 to 6 April 2012 and is now adjourned to 28 June and 29 June 2012.

The Board of Directors is of the opinion that, after taking into consideration that Pravest as the owner of Land had never entered into the any JVA with the Plaintiffs whereby police reports against the trespass on the Land and the involvement in the JVA has been made, the decision of the High Court will not have material impact on the financial statements of the Group.

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 owners of the parent 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 date of statement of financial position.

By Order of the Board

Leong Keng Yuen
Wong Tiew Kim
Secretaries