

**PJ DEVELOPMENT HOLDINGS BERHAD (COMPANY NO. 5938-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 30 JUNE 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 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 24 November 2011.

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

As at 30 June 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

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 year to date:

	Manufacturing & Trading							Consolidated
	Properties	Construction	- Cable	- Building	Hotels &	Investment	Others	RM'000
	RM'000	RM'000	RM'000	Material	Leisure	Holding	RM'000	RM'000
Revenue								
Total Revenue	184,544	197,962	190,481	34,090	108,731	19,620	1,373	736,801
Inter-segment revenue	(113)	(72,340)	-	(5,743)	(432)	(18,000)	(1,281)	(97,909)
Revenue from external customers	184,431	125,622	190,481	28,347	108,299	1,620	92	638,892
Results								
Segment result	22,153	8,883	22,375	4,414	10,948	3,612	(792)	71,593
Finance costs	(4,010)	(850)	(335)	-	(2,270)	(254)	-	(7,719)
Interest income	962	90	188	12	25	1,680	-	2,957
Share of profit of								
- Associates	-	-	-	-	-	986	-	986
- Jointly Controlled Entity	-	-	-	-	-	1,228	-	1,228
Profit before tax	19,105	8,123	22,228	4,426	8,703	7,252	(792)	69,045
Tax expense	(7,046)	(2,913)	(5,796)	(417)	(2,663)	1,861	(4)	(16,978)
Net profit for the year	12,059	5,210	16,432	4,009	6,040	9,113	(796)	52,067

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 year under review.

A10 Changes in the Composition of the Group

There were no major changes in the composition of the Group for the financial year under review including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for the acquisition of the following jointly controlled entities :

<u>Name of Company</u>	<u>Issued and Paid-Up Capital</u>	<u>Effective Equity Interest (%)</u>
1) Scotia Acres Sdn Bhd	2	50
2) Canggih Pesaka Sdn Bhd	2	50

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 30 June 2012 are as follows:

	RM '000
Contracted but not provided for	
Property, plant and equipment	<u>7,659</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1 Review of the Performance

For the fourth quarter ended 30 June 2012, the Group achieved revenue and pre-tax profit of RM193.12 million and RM23.58 million as compared to RM160.33 million and RM22.97 million for the corresponding quarter in the previous financial year.

For the current financial year, the Group recorded revenue and pre-tax profit of RM638.89 million and RM69.04 million respectively as compared to RM591.26 million and RM79.86 million in the previous financial year. The profit margins of the operating divisions for the current financial year were generally lower as compared to previous financial year.

The Properties Division has improved in both turnover and profit in the current quarter as compared to previous quarter but lower than corresponding quarter last year. Higher turnover were mainly from the D'Majestic, Sariah Oakleaf and Harbour Place projects. With the launch of You One @ Subang USJ in June 2012 and You City @ Cheras in July 2012, we anticipated the performance of the Properties Division to further improve in the coming financial year.

The increase in turnover in the current quarter of the Construction Division coupled with upward revision of some projects upon completion has brought in higher profit as compared to previous quarter.

There were improvements in both turnover as well as pre-tax profit for the Manufacturing and Trading Division for the current quarter as compared to the previous quarter. The gross profit margin however was lower as compared to the corresponding quarter last year mainly due to customers' and product mix which had a lower profit margin.

The increase in the occupancy rate and average room rate of majority of the hotel properties have brought in higher revenue and profit for the Hotel and Leisure Division for the current quarter. Lower operating expenses had also contributed to the better performance of this division.

The Investment Holding Division recorded a gain on disposal of long term quoted investments of RM11.50 million for the financial year. No disposal was carried out during the current quarter.

B2 Comparison with Immediate Preceding Quarter

The Group's pre-tax profit for the current quarter was 77% higher as compared to the immediate preceding quarter. The higher pre-tax profit for the current quarter was mainly attributable to higher contributions from the Properties, Construction, Cable and Hotel and Leisure Divisions as compared to immediate preceding quarter.

B3 Prospects

While we anticipate the global economy to remain uncertain, the Group is well positioned to meet the changing economic landscape and will strive to perform better in the new financial year.

B4 Profit Forecast

Not applicable as no profit forecast was published.

B5 Profit for the year

	CURRENT QUARTER		CUMULATIVE QUARTER	
	ENDED 30/06/2012 RM '000	ENDED 30/06/2011 RM '000	ENDED 30/06/2012 RM'000	ENDED 30/06/2011 RM '000
Profit for the period is arrived at after crediting / (charging) :				
Depreciation and amortisation	(3,649)	(6,073)	(21,852)	(21,296)
Dividend income	477	1,654	1,620	2,940
Exceptional items	-	-	-	-
Gain on disposal of long term quoted investments	-	1	11,498	1,092
Gain or loss on derivatives	-	-	-	-
Gain on disposal of investment properties	-	(8)	-	2,013
Impairment loss on inventories	-	-	-	-
Impairment loss on trade and other receivables	491	(252)	(396)	(1,077)
Impairment of assets	-	-	-	-
Interest accretion of trade receivables	255	705	1,036	705
Interest expense	(1,473)	(2,127)	(7,719)	(9,885)
Interest income	661	219	2,957	3,096
Write off of receivables	-	(20)	(20)	(20)
Write off of inventories	(2,524)	(1,379)	(2,524)	(1,379)
Reversal of impairment loss and write off on trade and other receivables	(405)	753	347	4,609
Unrealised foreign exchange loss	2	92	(135)	(1,079)

B6 Tax Expense

Taxation comprises:

	CURRENT QUARTER		CUMULATIVE QUARTER	
	ENDED 30/06/2012 RM '000	ENDED 30/06/2011 RM '000	ENDED 30/06/2012 RM'000	ENDED 30/06/2011 RM '000
Current tax expense				
Malaysia - current year	2,961	4,662	11,721	21,244
- prior year	(199)	(11)	(318)	(1,241)
Overseas - current year	354	1,056	956	1,508
- prior year	7	(10)	7	(10)
Deferred tax expense				
Origination and reversal of temporary differences	4,582	3,509	4,612	2,892
	<u>7,705</u>	<u>9,206</u>	<u>16,978</u>	<u>24,393</u>

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 30 June 2012 are as follows:

	Foreign Currency '000	RM Equivalent '000
Current		
Secured		88,219
Unsecured		
- denominated in US Dollar (USD)	181	576
- denominated in Ringgit Malaysia (RM)		<u>25,375</u>
		<u>114,170</u>
Non-current		
Secured		230,442
Unsecured		
- denominated in US Dollar (USD)	151	480
- denominated in Ringgit Malaysia (RM)		-
		<u>230,922</u>
Total :		<u><u>345,092</u></u>

B9 Disclosure of Realised and Unrealised Profits or Losses

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

	As at 30/06/2012 RM '000	As at 30/6/2011 RM '000
Retained earnings of the Company and its subsidiaries :		
Realised	380,257	374,803
Unrealised	<u>(24,017)</u>	<u>(19,574)</u>
	356,240	355,229
Share of retained earnings from associates :		
Realised	28,592	28,135
Unrealised	982	947
	<u>385,814</u>	<u>384,311</u>
Consolidation adjustments	28,197	(5,278)
Total Group retained earnings as per consolidated accounts	<u><u>414,011</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. The Agent's appeal against the Court's award is fixed for hearing on 18 September 2012.

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. A case management date is fixed in the High Court on 7 September 2012.

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 seedlings 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.

In view of the partial lift of the Interim Injunction granted by the Court on 3 April 2012, the appeal on the Interim Injunction was withdrawn on 2 May 2012.

Trial hearing date fixed on 28 June 2012 and 29 June 2012 have been adjourned and the Court has not fixed new dates yet.

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

The Board of Directors recommends a first and final dividend of 5% less tax per share for the financial year ended 30 June 2012. 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 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