

PJ Development
Holdings Berhad

(Company No. 5938-A)
(Incorporated in Malaysia)



ANNUAL REPORT 2005



Contents



2	Notice of Annual General Meeting
6	Statement Accompanying Notice of Annual General Meeting
7	Corporate Information
8	Chairman's Review
15	Ulasan Pengerusi
18	董事主席報告
21	Profile of Directors
24	Audit Committee Report
27	Corporate Governance Statement
32	Statement on Internal Control
34	Five Years Group Financial Highlights
35	Financial Statements
88	List of Group's Properties
91	Analysis of Shareholdings
94	Analysis of Warrantholdings
98	Other Information
	Form of Proxy

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting of the Company will be held at the Hibiscus Room, Level One, Swiss-Garden Hotel Kuala Lumpur, 117 Jalan Pudu, 55100 Kuala Lumpur, Malaysia on Wednesday, 23 November 2005 at 10.00 a.m. for the following purposes:

As Ordinary Business

1. To receive, consider and adopt the Report of the Directors and Audited Financial Statements for the year ended 30 June 2005 together with the Report of the Auditors thereon.
2. To declare a final dividend of 2% less 28% tax for the year ended 30 June 2005.
3. To re-elect the following Directors who retire under the provisions of the Company's Articles of Association, and who, being eligible, offer themselves for re-election:

(a) YM Ungku Haji Mohd Afandi bin Suleiman
(b) Au Chun Choong
(c) Mohamed Zain bin Mohamed Yusoff
4. To approve the payment of Directors' fees for the year ended 30 June 2005.
5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.
6. To transact any other ordinary business of which due notice shall have been given.

As Special Business

7. To consider and if thought fit, pass with or without any modification, the following resolutions:

Ordinary Resolution 1

Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised with full powers to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as they may deem fit subject always to the approval of the relevant government/regulatory authorities being obtained for such issue and provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued capital for the time being of the Company and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued."

Ordinary Resolution 2

Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature.

"THAT, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries and associates shall be mandated to enter into the category of Recurrent Transactions of a revenue or trading nature which are necessary for their day-to-day operations and with those related parties as specified in Section 2.1.3 (ii) of the Circular dated 31 October 2005 subject further to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public; and
- (b) disclosure is made in the Annual Report of a breakdown of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year, amongst others, based on the following information:
 - (i) the type of the Recurrent Transactions made; and
 - (ii) the names of the related parties involved in each type of the Recurrent Transactions made and their relationship with the Company;

AND THAT such authority shall commence upon passing of this resolution and shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following the forthcoming Annual General Meeting at which time it will lapse, unless by a resolution passed at the meeting the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965; or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things including executing such documents as may be required to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

Ordinary Resolution 3

Proposed Authorisation To Enable PJ Development Holdings Berhad To Purchase Its Own Shares Up To 10% Of The Issued And Paid-Up Ordinary Share Capital Of The Company Pursuant To Section 67A Of The Companies Act, 1965.

"THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (a) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium reserves of the Company at the time of the purchase(s); and
- (c) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder and to deal with the shares so purchased in such other manner as may be permitted by the relevant legislations and regulations.

Notice of Annual General Meeting

AND THAT any authority conferred by this resolution may only continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever occurs first.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the Listing Requirements and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities."

By order of the Board

LEONG KENG YUEN (MIA 6090)
WONG TIEW KIM (MAICSA 0766807)
Secretaries

Kuala Lumpur
31 October 2005

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote in his stead. If two proxies are appointed, the number of shares each person is entitled to vote must be stated in the form of proxy. A proxy need not be a member of the Company.
2. All forms of proxy must be deposited at the Registered Office of the Company at 18th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its Common Seal or the hand of its attorney.
4. **Ordinary Resolution 1**
This Ordinary Resolution, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company. This would avoid any delay and costs in convening a general meeting to specifically approve such an issues of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.
5. **Ordinary Resolution 2**
This Ordinary Resolution, if passed, will provide a new mandate for the Company and its subsidiaries and associates to enter into recurrent related party transactions with related parties in the ordinary course of business based on commercial terms which are not more favourable to the related parties than those generally available to the public which are necessary for the Group's day-to-day operations and shall lapse at the conclusion of the next Annual General Meeting unless authority for the approval is obtained from the shareholders of the Company at a general meeting.
6. **Ordinary Resolution 3**
This Ordinary Resolution, if passed, will provide a mandate for the Company to purchase its own shares up to 10% of the issued and paid-up ordinary share capital of the Company and shall lapse at the conclusion of the next Annual General Meeting unless authority for the approval is obtained from the shareholders of the Company at a general meeting.

Shareholders are requested to refer to the enclosed Circular to Shareholders for additional information.

Statement Accompanying Notice of Annual General Meeting

1. Directors who are standing for re-election at the Fortieth Annual General Meeting of the Company.

- (a) YM Ungku Haji Mohd Afandi bin Suleiman
- (b) Au Chun Choong
- (c) Mohamed Zain bin Mohamed Yusoff

2. Details of the attendance of Directors at Board Meetings.

There were four (4) Board of Directors Meeting held during the financial year ended 30 June 2005.

Executive Directors	Attendance
1. Dato' Dr Haji Dzulkarnain bin Shafiee	4/4
2. Wong Ah Chiew	4/4
3. Wong Chong Shee	3/4
4. Khor Chai Moi	4/4
Non-Executive Directors	
5. Dato' Mohamed Tarmizi bin Mohd Tahir	2/4
6. YM Ungku Haji Mohd Affandi bin Suleiman	4/4
7. Au Chun Choong	4/4
8. Mohamed Zain bin Mohamed Yusoff (Appointed on 26.08.2005)	-

3. Place, Date and Time of General Meeting.

The Fortieth Annual General Meeting of the Company will be held at the Hibiscus Room, Level One, Swiss-Garden Hotel Kuala Lumpur, 117 Jalan Pudu, 55100 Kuala Lumpur, Malaysia on Wednesday, 23 November 2005, at 10.00 a.m.

4. Details of Directors who are standing for re-election.

Further details of Directors who are standing for re-election are set out in the Profile of Directors of this Annual Report.

Corporate Information

BOARD OF DIRECTORS

1. Dato' Dr Haji Dzulkarnain bin Shafiee
(Executive Chairman)
DPMP, JSM, AMP, PJK
2. Wong Ah Chiew
(Managing Director)
3. Wong Chong Shee
(Deputy Managing Director)
4. Khor Chai Moi
(Executive Director)
5. Dato' Mohamed Tarmizi bin Mohd Tahir
(Independent Non-Executive Director)
6. YM Ungku Haji Mohd Afandi bin Suleiman
(Independent Non-Executive Director)
7. Au Chun Choong
(Independent Non-Executive Director)
8. Mohamed Zain bin Mohamed Yusoff
(Independent Non-Executive Director)

AUDIT COMMITTEE

Au Chun Choong
(Chairman and Independent Non-Executive Director)

Dato' Mohamed Tarmizi bin Mohd Tahir
(Independent Non-Executive Director)

YM Ungku Haji Mohd Afandi bin Suleiman
(Independent Non-Executive Director)

Wong Ah Chiew
(Non-Independent Executive Director)

SECRETARIES

Leong Keng Yuen

Wong Tiew Kim

REGISTERED OFFICE

18th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel No. : 03-2162 1111
Fax No. : 03-2163 3336
Website : www.pjdh.com.my

REGISTRARS

Symphony Share Registrars Sdn. Bhd.
No. 35, Jalan Hussein (First Floor)
30250 Ipoh
Perak Darul Ridzuan
Malaysia
Tel No. : 05-241 5633
Fax No. : 05-241 5578

AUDITORS

KPMG
Wisma KPMG
Jalan Dungun
Damansara Heights
50490 Kuala Lumpur
Malaysia

PRINCIPAL BANKERS

Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

Main Board, Bursa Malaysia Securities Berhad

INCORPORATION

The Company is a public limited liability company, incorporated under the Companies Act, 1965 and domiciled in Malaysia.

Chairman's Review



On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report and Audited Financial Statements of PJ Development Holdings Berhad and the Group for the financial year ended 30 June 2005.

FINANCIAL REVIEW

The Group recorded a turnover of RM409.8 million for the financial year under review, representing an increase of 15.7% over the previous year's turnover of RM354.3 million.

The Group registered an increase in the pre-tax profit of RM36.2 million as against a pre-tax profit of RM29.0 million for the previous financial year. Net tangible assets per share of the Group as at 30 June 2005 was RM1.53.

DIVIDEND

The Board of Directors has recommended for your approval payment of a final dividend of 2% less 28% income tax per share for the financial year ended

30 June 2005. Together with the interim dividend declared and paid during the year, the total dividend amounts to 4% less 28% income tax.

OPERATIONS REVIEW

PROPERTY DEVELOPMENT

The demand for affordable residential properties was relatively strong throughout the year 2004. There was also a noticeable trend of developers participating in new luxury developments focused on the up-market and non-landed projects. Our property division continue to be main contributor to our Group's consolidated earnings.





We have completed our signature project, Hartamas Regency 1 and launched Hartamas Regency 2 in the first quarter 2005. Both Hartamas Regency 1 & 2 boast a good mix of local and foreign owners. Our gated and guarded landed homes, Duta Kensington Parkhomes, consisting of 2½ and 3-storey park homes with hi-tech security and smart home features were sold with overwhelming success.

Our next launch is Hartamas Regency 3 consisting of 3-storey super links and luxurious high-rise condominiums. With a projected gross development value of RM240 million, Hartamas Regency 3 shall be a class on its own and attract the discerning homeowners with an eye for quality and prestige.

Another new entry into the property market, Siarah Oakleaf, located in Bukit Antarabangsa provides the perfect combination of semi-detached and 3-storey terrace homes within a gated and guarded community with home alarm system for a secure environment.

Park View Tower, phase 1 in Harbour Place, Butterworth would be ready for hand over. Continuing with the Harbour Place saga is the 354 units condominium at Sea View Tower with a choice of 4 distinct designs

of the studio, standard, penthouses and duplexes. Future development include business suites, serviced apartments, shopping mall and a promenade square to make it a wholesome community environment.

Bukit Istana, Kuantan, Pahang is the right choice as your home is so accessible now with the recently completed East Coast Highway. The 226 units semi-detached project in Phase 2, launched in October 2004 received very encouraging response. The next phase comprising single-storey semi-detached units, is expected to be launched soon.

Taman Putri Kulai, Johor offers an array of affordable homes comprising terrace homes, apartments, shop houses and light industrial units. We are expecting to launch a series of 1-storey and 2-storey terrace homes in our next phase. Putri Kulai Recreational Club, centrally located within the township, continue to provide the lifestyle and recreational breakaway for the residents in this area.

We are actively on the look out for land banks at strategic locations for integrated development, particularly in Klang Valley, Johor, and Penang.

Chairman's Review



CONSTRUCTION

The construction sector has seen labour shortages and materials price hikes last year. The industry encountered another setback in labour supply in early 2005 due to the Government's amnesty program for illegal foreign workers. However, the real challenge is from the industry itself. In 2004, the sector contracted by 1.9%. The contraction is expected to continue into current financial year. This is the result of the austerity measures exercised by the Government to trim expenditure for a balance budget and the sharp decline in civil engineering activities due to the completion of major projects. The contraction was mitigated by higher activities in the construction of residential projects.

During the year, the division completed a number of projects, amongst them, Tiara Bay's 980 units service apartment in Port Dickson and Hartamas Regency 1 condominium at Sri Hartamas, Kuala Lumpur. Despite the competitive bidding and tendering activities during the financial year, the division managed to increase its order book of contracts to sustain until year 2007. The division will continue to consolidate its resources and work towards enhancing its operational efficiency in preparation for the challenges ahead. We are exploring construction projects in Thailand.

MANUFACTURING AND TRADING

Power Cables

For the financial year ended June 2005, the division recorded favourable performance. The improvement in market coverage including exports have contributed positively to the results. As the demand from Tenaga Nasional Berhad is expected to be slower in the coming year, we are looking at the expansion of export markets to compensate for the anticipated slow down in the domestic market. Development of new products will help to improve market share and better leverage in the coming years. With these plans, we are optimistic that we can remain to be profitable.

Concrete Wall Panels And Roofing Tiles

Our concrete panels and roofing tiles division encountered fierce competition under the competitive trading conditions and slow down in the construction industry.



We will continue to seek new markets and wider market coverage. With the commencement of production at the new factory at Johor Tenggara, we will be able to optimize the capacity utilization and to serve the southern region market more effectively. In addition, costs reduction measures and research and development efforts to improve the quality of our products will remain our main focus.

Given the Government's continuous efforts to promote Integrated Building System (IBS) as a building system in the construction industry, we remain confident that our products will gain further acceptance.

Materials Trading

Our Materials Trading business showed improved performance in the financial year under review, with higher turnover and better margins. With continuous efforts to improve the quality of products and services, the division will strive to maintain its growth, albeit operating under a highly competitive market.

HOTELS AND LEISURE

Hotels, Resorts And Inns

The year under review saw the Hotels and Leisure division performing within expectations. In the financial year under review, there were some negative effects on some of our hotels and resorts from the December 2004 Tsunami that hit Bandar Aceh in Sumatra and the surrounding region right up to Langkawi and Penang.

Overall, the hotels occupancies were lower than the preceding year but there was improvement in the average room rates. With good yield management and careful cost management, the division managed to sustain its financial results. Capital expenditure spending was selective and incurred only on essential and priority projects which can improve and enhance the quality of our hotel properties.

Chairman's Review



We are constantly represented in important international, regional and local trade fairs to promote the Swiss-Garden brand name.

Prospects for the hotel and travel industry remain positive for 2006 for the domestic market which should be boosted by the declaration of five days working week for the public sector as well as from in-bound travelers with the projected increase in tourist arrivals to Malaysia.

Timeshare

We estimate that the timeshare industry in Malaysia would experience growth in the coming year with the expected emergence of more new players from public listed companies and hotel chains. In light of the competition within the industry, our business strategy will emphasize more on product development, repackaging and more affiliated new traveling destinations for a wider choice to meet our members' holiday expectations.

Promotions include participation in trade and road shows and holiday fairs to bring the products to the

people. We have sales venues in strategic locations in major cities and towns all over the country with aim of covering a wide spectrum of market. Our timeshare business will continue to synergise well with our hotels and resorts, complementing each other in accommodation, travel and holiday related packages.

Barring any serious threat to the global or regional travel market, we are confident to see further improvement in the performance of our Hotels and Leisure Division.

CORPORATE QUALITY AND HUMAN RESOURCE DEVELOPMENT

Our corporate quality and training programs cater to different levels of staff, honing in on both soft skills and hard skills for staff self development and equip them in multi tasking. Specialized training programs for management and staff to enhance leadership skills and teambuilding activities were conducted throughout the year by the various divisions for staff integration and cohesiveness.



OUTLOOK

It will be a challenging year in the property and construction industry. Interruptions in labour and building materials supplies, shortages and price fluctuations will remain relevant issues we need to handle well. We expect stiff competition amongst key players who will be embarking on aggressive advertising and promotions in launching their products. We will have to have innovative product development and strong product branding to remain competitive in the long term.

Our manufacturing divisions will correspondingly ride on the growth of the industry as a whole, albeit keen competition. Prudent and well monitored costs control measures practised in every division have been instrumental in achieving savings, placing us on a more competitive edge above others.

We are optimistic about our hotel and leisure divisions prospects with the Government's strong support for the promotion of the country as a major tourist hub in this region, particularly with the increase of tourists from the Middle East and China.



Chairman's Review



As before, we will continue to expand our land bank and focus our resources and expertise towards optimum productivity to achieve our targeted turnover and profitability. The expected slower growth of the global economy resulting from the recent surge in oil prices however, reminds us to be prudent in our search for new land bank and undertaking new ventures.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to take this opportunity to thank all our shareholders for their confidence in the management team, our valued customers and business associates and the various government and regulatory authorities for their help and support. Not forgetting our management team and employees, our appreciation to them for their contribution, dedication and commitment.

Lastly, I would like to thank my fellow Board members for their team effort and invaluable contribution to the Group.

DATO' DR HAJI DZULKARNAIN BIN SHAFIEE

DPMP, JSM, AMP, PJK

Executive Chairman

7 October 2005

Ulasan Pengerusi

Bagi pihak Lembaga Pengarah PJ Development Holdings Berhad, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan yang telah diaudit bagi Kumpulan dan Syarikat untuk tahun kewangan berakhir 30 Jun 2005.

TINJAUAN KEWANGAN

Kumpulan telah mencatatkan perolehan sebanyak RM409.8 juta bagi tahun kewangan yang dikaji, melambangkan peningkatan sebanyak 15.7% berbanding tahun sebelumnya iaitu RM354.3 juta.

Kumpulan telah mencatatkan peningkatan keuntungan sebelum cukai sebanyak RM36.2 juta berbanding keuntungan sebelum cukai sebanyak RM29.0 juta bagi tahun kewangan sebelumnya. Aset ketara bersih sesaham bagi Kumpulan pada 30 Jun 2005 adalah RM1.53.

DIVIDEN

Lembaga Pengarah telah menyokong untuk mendapatkan kelulusan anda bagi bayaran dividen akhir sebanyak 2% tolak cukai pendapatan 28% sesaham bagi tahun kewangan berakhir 30 Jun 2005. Beserta dividen sementara yang telah diisytihar dan dibayar pada tahun kewangan semasa, jumlah dividen adalah 4% tolak cukai pendapatan 28% sesaham.

ULASAN OPERASI

PEMBANGUNAN HARTANAH

Permintaan terhadap hartanah kediaman mampu milik adalah kukuh pada sepanjang tahun 2004. Terasa juga trend di mana para pemaju telah menceburi dalam sector pembangunan hartanah mewah dan tumpuan telah diberikan terhadap projek elit dan tidak berhalaman. Bahagian hartanah kami kekal menjadi penyumbang utama kepada perolehan Kumpulan.

Kami telah menyiapkan projek mercu tanda kami, Hartamas Regency 1 dan telah melancarkan Hartamas Regency 2 pada suku pertama 2005. Projek Hartamas Regency 1 & 2 dibeli oleh rakyat tempatan dan warga asing. Projek kediaman berpagar dan mempunyai pengawal keselamatan, Duta Kensington Parkhomes, terdiri daripada kediaman 2½ dan 3 tingkat berhalaman dengan mempunyai kawalan keselamatan berteknologi tinggi dan ciri-ciri kediaman pintar telah dijual dengan mencatatkan kejayaan yang sungguh memberangsangkan.

Pelancaran projek kami yang seterusnya adalah Hartamas Regency 3 yang terdiri daripada kondominium tinggi dengan unit 3 tingkat super mewah dan berangkai. Dengan anggaran nilai pembangunan kasar bernilai

RM240 juta, Hartamas Regency 3 mempunyai kelasnya yang tersendiri dan mendapat perhatian para pembeli yang mementingkan aspek kualiti dan prestij.

Satu lagi penyertaan baru kami dalam pasaran hartanah, Siarah Oakleaf yang terletak di Bukit Antarabangsa menyediakan gabungan sempurna bagi kediaman berkembar dua dan berangkai 3 tingkat di dalam komuniti berpagar dan mempunyai kawalan keselamatan dengan sistem alat penggera kediaman untuk persekitaran yang selamat.

Park View Tower, Fasa 1 di Harbour Place, Butterworth sedia untuk diserahkan kepada pembeli. Meneruskan kegemilangan Harbour Place ialah 354 unit kondominium di Sea View Tower dengan pilihan rekabentuk berlainan iaitu studio, standard, penthouse dan duplex. Pembangunan akan datang termasuk suite perniagaan, apartmen berservis, pusat beli-belah dan dataran persiaran untuk menjadikannya sebagai persekitaran komuniti yang serba lengkap.

Bukit Istana, Kuantan, Pahang yang menjadi pilihan tepat sebagai kediaman anda kini senang ditujui dengan siapnya Lebuhraya Pantai Timur baru-baru ini. Projek 226 unit kediaman berkembar dalam Fasa 2 itu telah dilancarkan pada Oktober 2004 dan mendapat sambutan yang sungguh memberangsangkan. Fasa seterusnya terdiri daripada unit-unit berkembar satu tingkat, dijangka akan dilancarkan dalam masa terdekat.

Taman Putri Kulai, Johor menawarkan unit-unit kediaman mampu milik terdiri daripada rumah teres, apartmen, rumah kedai dan unit-unit industri ringan. Kami akan melancarkan unit-unit rumah teres 1 tingkat dan 2 tingkat dalam fasa yang akan datang. Kelab Rekreasi Putri Kulai, terletak di tengah kawasan perbandaran berkenaan, tetap menjadi pusat rekreasi dan gaya hidup terkini bagi penghuni di kawasan ini.

Kami kini aktif meninjau untuk memiliki bank tanah di lokasi strategik bagi pembangunan bersepadu, khususnya di Lembah Klang, Johor dan Pulau Pinang.

PEMBINAAN

Sektor pembinaan telah mengalami kekurangan tenaga buruh dan kenaikan harga bahan pada tahun lepas. Industri ini berdepan dengan satu lagi masalah bekalan tenaga buruh pada awal tahun 2005 berikutan program pengampunan untuk pekerja asing tanpa permit yang dilaksanakan oleh kerajaan. Bagaimanapun, cabaran sebenar adalah daripada industri pembinaan sendiri. Pada 2004, sektor pembinaan menguncup sebanyak 1.9%. Penguncupan ini dijangka berterusan hingga tahun kewangan semasa. Ini berikutan langkah berjimat cermat yang dilaksanakan oleh kerajaan bagi

Ulasan Pengerusi

mengurangkan perbelanjaan untuk bajet seimbang dan penurunan mendadak dalam kegiatan kejuruteraan awam selepas siapnya projek-projek mega. Penguncupan tersebut ditampung oleh peningkatan aktiviti pembinaan projek-projek kediaman.

Pada tahun kewangan yang dikaji, bahagian pembinaan telah menyiapkan sebilangan projek, antaranya ialah Tiara Bay terdiri daripada apartmen servis 980 unit di Port Dickson dan kondominium Hartamas Regency 1 di Sri Hartamas, Kuala Lumpur. Walaupun aktiviti bida dan tender adalah kompetitif pada tahun kewangan berkenaan, bahagian pembinaan berjaya menambah pegangan pesanan kontrak yang dapat bertahan sehingga tahun 2007. Bahagian ini akan terus mengukuhkan sumbernya dan berusaha meningkatkan kecekapan operasinya sebagai persediaan menghadapi cabaran yang mendatang. Kami kini meneroka projek-projek pembinaan di Thailand.

PENGELUARAN DAN PERDAGANGAN

Kabel-Kuasa

Bagi tahun kewangan berakhir Jun 2005, bahagian ini mencatatkan prestasi yang memuaskan. Peningkatan penguasaan pasaran termasuk eksport, telah memberikan sumbangan positif kepada keputusan kewangan. Memandangkan permintaan daripada Tenaga Nasional Berhad dijangka lembap pada tahun akan datang, kami meninjau untuk meluaskan pasaran eksport bagi mengimbangi kelembapan pasaran domestik ini. Penghasilan produk baru akan membantu meningkatkan penguasaan pasaran dan mencapai keseimbangan yang lebih baik pada tahun-tahun akan datang. Dengan kesemua perancangan ini, kami yakin bahawa kami dapat terus mencatatkan keuntungan.

Panel Dinding Konkrit dan Jubin Atap

Dalam keadaan perdagangan yang kompetitif dan industri pembinaan yang lembap, bahagian panel konkrit dan jubin atap kami telah berdepan dengan persaingan yang sangat hebat.

Kami akan terus meninjau pasaran baru dan meluaskan penguasaan pasaran. Dengan bermulanya beroperasi kilang baru di Johor Tenggara, kami mampu mengoptimumkan penggunaan kapasiti dan membekalkan pasaran wilayah selatan dengan lebih berkesan. Selain itu, langkah pengurangan kos dan usaha

penyelidikan dan pembangunan bagi meningkatkan kualiti produk kami akan kekal sebagai tumpuan utama kami.

Memandangkan usaha kerajaan yang menggalakkan Sistem Pembinaan Bersepadu (IBS) sebagai sistem pembinaan dalam industri pembinaan, kami tetap yakin bahawa produk kami mendapat penerimaan yang lebih meluas.

Perdagangan Bahan

Perniagaan Perdagangan Bahan kami menunjukkan prestasi yang lebih baik dalam tahun kewangan yang dikaji, dengan peningkatan perolehan dan keuntungan. Melalui usaha berterusan bagi meningkatkan kualiti produk dan perkhidmatan, bahagian ini akan berusaha mengekalkan pertumbuhannya, meskipun beroperasi dalam keadaan pasaran yang sangat kompetitif.

HOTEL DAN REKREASI

Tahun kewangan yang dikaji menyaksikan bahagian Hotel dan Rekreasi mencatatkan prestasi seperti yang dijangka. Pada tahun kewangan tersebut, terdapat sedikit kesan negatif terhadap beberapa hotel dan tempat peranginan kami berikutan bencana Tsunami pada Disember 2004 yang melanda Bandar Aceh di Sumatera dan kawasan sekitarnya sehinggalah ke Langkawi dan Pulau Pinang.

Walaupun pada keseluruhannya, kadar penginapan di hotel-hotel kami adalah lebih rendah berbanding tahun sebelumnya tetapi bagi purata kadar bilik telah meningkat. Dengan pengurusan hasil yang baik dan pengurusan kos yang berhemah, bahagian ini berjaya mengekalkan keputusan kewangannya. Perbelanjaan modal adalah secara terpilih dan hanya dilaksanakan untuk projek-projek penting dan utama yang boleh meningkatkan kualiti ciri-ciri hotel kami.

Kami sentiasa menyertai pameran perdagangan utama tempatan, serantau dan antarabangsa bagi mempromosi jenama Swiss-Garden.

Prospek industri hotel dan pelancongan kekal positif bagi tahun 2006 untuk pasaran domestik yang dirangsang dengan pengumuman lima hari bekerja dalam seminggu untuk sektor awam dan ketibaan pelancong asing yang dijangka akan meningkat.

Kongsi Masa

Kami meramalkan bahawa industri kongsi masa di Malaysia akan mengalami pertumbuhan pada tahun akan datang dengan kemunculan lebih banyak penyertaan baru daripada syarikat-syarikat tersenarai awam dan rangkaian hotel. Memandangkan wujudnya persaingan dalam industri ini, strategi perniagaan kami akan memberikan lebih penekanan terhadap pembangunan produk, pembungkusan semula dan lebih banyak destinasi pelancongan baru secara usaha sama untuk pilihan yang luas bagi memenuhi impian percutian ahli-ahli kami.

Promosi termasuk pembabitan dalam pameran perdagangan, pameran jelajah dan pameran percutian untuk memperkenalkan produk kami kepada orang ramai. Kami mempunyai pusat jualan di lokasi-lokasi strategik di bandar dan pekan utama di seluruh negara dengan tujuan memperluaskan penguasaan pasaran. Perniagaan kongsi masa kami akan terus bersinergi dengan hotel-hotel dan tempat-tempat peranginan kami, bekerjasama antara satu sama lain dalam pakej berkaitan dengan penginapan, perjalanan dan percutian.

Tanpa mengambil kira ancaman serius terhadap pasaran pelancongan dunia dan serantau, kami yakin Bahagian Hotel dan Rekreasi kami dapat mencatatkan peningkatan prestasi yang seterusnya.

KUALITI KORPORAT DAN PEMBANGUNAN SUMBER MANUSIA

Kualiti korporat dan program latihan kami memenuhi keperluan pelbagai peringkat kakitangan, menyuntik kemahiran tahap rendah dan tinggi untuk pembangunan diri kakitangan dan juga melengkapkan mereka dengan aneka tugas. Program latihan khusus untuk pihak pengurusan dan kakitangan bagi meningkatkan kemahiran kepimpinan dan aktiviti pembinaan pasukan dijalankan sepanjang tahun oleh pelbagai bahagian demi integrasi dan penyatuan kakitangan.

TINJAUAN

Tahun kewangan akan datang merupakan tahun yang mencabar bagi industri hartanah dan pembinaan. Gangguan bekalan tenaga buruh dan bahan binaan, kekurangan serta turun naik harganya akan kekal sebagai isu relevan yang perlu kami hadapi dengan cekap. Kami menjangkakan persaingan sengit di kalangan syarikat-syarikat utama yang akan melaksanakan pengiklanan dan promosi agresif semasa melancarkan produk masing-

masing. Kami terpaksa berinovatif dalam pembangunan produk dan penjenamaan produk yang mantap agar kekal kompetitif dalam jangka masa panjang.

Bahagian pengeluaran kami dijangka meneruskan pertumbuhan industri ini secara keseluruhannya, meskipun berlaku persaingan yang sengit. Langkah-langkah kawalan kos secara bijaksana dan dipantau yang dipraktis di setiap bahagian merupakan jentera penting bagi mencapai tahap perolehan yang memuaskan, sekaligus meletakkan kami pada tahap yang lebih kompetitif berbanding pesaing-pesaing kami.

Kami yakin dengan prospek bahagian hotel dan rekreasi kami melalui sokongan padu kerajaan terhadap promosi negara sebagai pusat pelancongan utama di rantau ini, khususnya dengan peningkatan kedatangan pelancong dari Asia Barat dan China.

Seperti sebelum ini, kami akan terus menambah bank tanah kami dan memberi tumpuan kepada sumber dan kepakaran bagi mengoptimumkan produktiviti untuk mencapai sasaran perolehan dan keuntungan. Pertumbuhan ekonomi dunia yang diramal lembap berikutan kenaikan harga minyak baru-baru ini bagaimanapun mengingatkan kami agar berhati-hati semasa mendapatkan bank tanah baru dan menyertai usaha sama baru.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengambil kesempatan ini untuk mengucapkan terima kasih yang tidak terhingga kepada semua pemegang saham atas keyakinan terhadap pasukan pengurusan, para pelanggan dan sekutu perniagaan kami yang dihormati serta pelbagai agensi-agensi kerajaan dan pihak berkuasa atas bantuan dan sokongan masing-masing. Tidak lupa juga kepada pasukan pengurusan dan pekerja kami, setinggi-tinggi penghargaan kepada mereka atas sumbangan, dedikasi dan komitmen yang diberikan.

Akhir sekali, saya ingin mengucapkan terima kasih kepada ahli-ahli Lembaga Pengarah atas usaha dan sumbangan yang tidak ternilai kepada Kumpulan.

DATO' DR HAJI DZULKARNAIN BIN SHAFIEE
DPMP, JSM, AMP, PJK
Pengerusi Eksekutif

7 Oktober 2005

董事主席报告

本人欣然代表辟捷发展控股有限公司提呈本公司及集团截至2005年6月30日为止的财政年度之常年报告及已审核的财务报告。

财务检讨

在受检讨之财政年度里,本集团创下4亿零9百80万令吉营业额,比去年之3亿5千4百30万令吉增加了15.7%。

集团之税前盈利高达3千6百20万令吉,比去年之2千9百万令吉有所增加。截至2005年6月30日,集团每股净有形资产为RM1.53。

股息

董事部建议截至2005年6月30日的财政年度派发2%每股须扣28%所得税的终期股息,唯此建议有待股东批准。连同该年度已宣布之临时股息,总股息为4%须扣28%所得税。

业务检讨

产业发展组

在整个2004年间,售价相宜的住宅产业之需求量相当殷切。有明显的趋势显示,发展商们纷纷参与崭新的豪华洋房兴建计划,专注于高档市场和无地房地产计划。我们的产业组继续为整个集团贡献稳固的盈利。

我们脍炙人口的 HARTAMAS REGENCY 1 产业发展计划已建竣,而 HARTAMAS REGENCY 2 亦于2005年第一季度发售。此两阶段的 HARTAMAS REGENCY 发展计划,不但深受本国业主欢迎,甚至获得外国人青睐与购买。我们的围篱守卫家居社区大使京士顿园林家居 (DUTA KENSINGTON

PARKHOMES), 乃一项两层半及三层楼的有地楼房计划,设有高科技保安及精明家居特点,甫推出即售罄,取得辉煌的佳绩。

我们接下来将推展 HARTAMAS REGENCY 3 计划,由三层楼超级双联房屋以及豪华高楼共管公寓组成。HARTAMAS REGENCY 3 预计耗资总值2亿4千万令吉,势必成为别具一格的楼房,吸引众多注重品质与声望,眼光独到之屋主。

位于国际山庄(Bukit Antarabangsa) 的 Siarah Oakleaf 是我们主攻产业市场的另一项新尝试。此住宅区由半独立式洋房及三层楼排屋构成的完美组合,社区内设有围篱、守卫亭及家居防盗系统,提供受保障的安全环境。

位于北海滨港城 (HARBOUR PLACE) 内第一期之园景阁 (Park View Tower), 近日即可移交给屋主。随着滨港城计划的成功,我们乘胜追击,兴建海景阁 (Sea View Tower) 的 354 个单位共管公寓,共有四种独特设计供选择,分别为一房式、标准式、顶楼式以及双叠式。未来的发展计划包括商务套房、服务公寓、购物坊以及一个海滨广场,目的是营造一个健全优美的社区环境。

位于彭亨州关丹的皇宫岭 (BUKIT ISTANA) 是置业者正确的选择。随着东海岸高速公路的完工,置业者的家居已贯接四通八达的要道。第二期工程共有226 个单位的半独立式洋房,自2004年10月份发售以来,获得异常踊跃的热烈反应。预料下一期单层半独立式洋房,将在近期内推展。

位于柔佛的古来公主城 (TAMAN PUTRI KULAI), 备有多种售价相宜之房屋,包括排屋、公寓、店屋以及轻工业区单位。我们计划在下一期推出一系列单层与双层排屋。坐落在此新兴市镇内之古来公主休闲俱乐部 (PUTRI KULAI RECREATIONAL CLUB),

地点适中,将继续成为该区居民娱乐与消闲之好去处。我们正积极物色战略性地点,以推展综合性发展工程,扩展我们的地库,并将巴生谷、柔佛及檳城列为焦点地区。

建筑组

去年,建筑组饱受劳工短缺以及原料价格高涨的问题困扰。政府宽赦非法外劳的举动,导致本行业在2005年初再次遭受劳工供应的重挫。不过,真正的挑战还是来自业界本身。2004年,建筑业的增长萎缩1.9%,此劣势预料将延续至本财政年度。这是政府为了平衡财政预算案而采取削减开销的严酷措施,以及大型计划竣工导致土木工程活动量骤减所造成的后果。所幸住宅区的建屋工程活动较为蓬勃,使得萎缩率稍微缓和。

建筑组在此年度内完成数项工程,包括位于波德申 Tiara Bay 的 980 单位服务式公寓,以及位于吉隆坡 Sri Hartamas 的 Hartamas Regency 1 共管公寓。此财政年度的投标活动虽出现竞争,建筑组仍有望争取到可持续至2007年的订单合约。本组将继续巩固其资源,致力加强其营运效率,奋勇迎向眼前的挑战。我们正探索在泰国推展建屋计划的可能性。

制造业与贸易组

电缆

电缆组在截至2005年6月的财政年度里取得可圈可点的业绩。市场覆盖度的改善,包括出口额的增长皆居功不小。由于国家能源公司来年的需求量预料减缓,我们正探讨如何拓展出口市场,以弥补国内市场预期放缓所蒙受的损失。新产品的开发将有助于扩大市场占有率,使公司在未来充分受益。凭着这些方案,我们对于维持有利可图的增长感到乐观。

混凝墙板与屋瓦

在充满竞争的贸易条件及建筑业成长迟缓的情况下,我们的混凝墙板与屋瓦组被迫面对同业激烈的竞争。

我们将继续寻求新市场,推广市场覆盖度。随着柔佛东南部新厂的启用,我们将优化产能的利用,并为南马区市场提供更有效的服务。此外,我们仍将把焦点放在削减成本的措施,致力于研究与开发,以便提高产品素质。

随着政府不遗余力地向业界促销综合性建筑系统(IFS),我们深信本公司的产品将进一步广受业者接纳。

建材交易

我们的建材交易业务,在受检讨年度内的业绩大有改善,不论营业额或盈利均有增加。我们将贯彻始终,努力改善产品与服务的素质。因此,尽管我们在高度竞争的市场内营运,建材交易组将奋力维持其成长。

酒店业及休闲组

酒店、度假村与旅馆

酒店业与休闲组在受检讨年度内取得预期中的业绩。在受检讨的财政年度内,2004年12月在苏门答腊的班达亚齐市所爆发的海啸,影响到周围地区,甚至波及浮罗交怡和檳城的海滩名胜,这的确给我们的酒店和度假村带来负面的影响。

总的来说,酒店的入住率虽比前一年低,平均客房费率却有改善。借助良好的收益管理以及审慎的成本管理,本组终得以维持其财务成绩。我们只选择在优先注重的必需工程项目进行资本开支消费,以求改善及加强酒店产业之素质。

董事主席报告

我们一如既往,在本区域及国内各大重要国际商展亮相,以促销瑞园 (Swiss-Garden) 品牌。

2006年的酒店与旅游业前景仍保持乐观。当局宣布公务员实行每周五天工作制,等于为本地市场注入强心针。另一方面,前来马来西亚观光的外国游客人数,预料也有所增加。

时光分享

来年预料会有更多的挂牌公司以及连锁酒店集团加入战围,推出时光分享计划,因此我们估计马来西亚的此行业将茁壮成长。面对同业者的竞争,我们的商业策略将侧重于产品开发、重新包装,以及推介较有连带关系的崭新旅游胜地,让我们的会员享有更广泛的选择,满足他们度假的需求。

促销活动包括参加商展、巡回展以及旅游展,把产品介绍给大众。我们在国内各大城镇的战略性地点设有销售办事处,目的是网罗社会各阶层的潜在顾客。我们的时光分享业务将继续与酒店及度假村互相配合发挥增效作用,不论在住宿、观光或度假等相关配套方面,皆能达到相辅相成的良效。

只要全球或区域的旅游市场不受严重威胁,我们深信酒店与休闲组之业绩将更上一层楼。

公司素质及人力资源发展

我们的企业素质及培训计划能满足各等级员工之需求,磨练他们的软技能与硬技能,让员工取得个人成长,同时掌握多种任务处理的技巧。公司亦为管理层及员工开办专业性的培训课程,以加强他们的领导技能,而各组一年到头举办的建立团队精神活动,则让全体职员打成一片,创造凝聚力。

展望

对于房地产业和建筑业而言,未来一年将是充满挑战性的。劳工及建材供应的中断、资源的短缺以及价格的波动,仍是我们必须应付的相关课题。财雄势大的同业推出他们的产品时,料将大打广告,大搞促销,使我们面对激烈竞争。我们必须开发别出心裁的产品,同时大力推广品牌,才能保持长期的竞争优势。

尽管面对激烈竞争,我们的制造组将善用本行业的整体成长顺势而起。各组实践审慎而督导有方的成本控制措施,在节省开支方面已立竿见影,使我们在众多竞争对手面前高居上风。

我国政府强力促销我国为本区域的主要旅游枢纽,因此我们对酒店与休闲组的前景感到乐观,尤其是来自中东和中国的游客正逐日增加。

我们将像往常一样继续拓展地库,注重开发资源与专业知识,优化生产力,以便达到预设的营业额及利润目标。无论如何,最近油价高涨预料将拖缓全球经济成长率,因此我们将提高警惕,日后在物色新地库以及投入新领域时,务必加倍小心谨慎。

鸣谢

谨借此机会代表董事局感谢所有股东对管理层的信任;还有感谢尊贵的顾客与商业夥伴、各政府部门及执法机构的协助与支持。同时不忘感激管理队伍及职员们尽心尽力的奉献。

最后,我要感谢各位董事群策群力,为本集团作出宝贵的贡献。

DATO' DR HAJI DZULKARNAIN BIN SHAFIEE

DPMP, JSM, AMP, PJK

执行主席

2005年10月7日

Profile Of Directors

Dato' Dr Haji Dzulkarnain bin Shafiee, a Malaysian, aged 69.

He joined the Board of Directors on 18 September 1987 and was appointed the Executive Chairman in 1990. He is a qualified administrator who holds a Doctorate in Philosophy from The Pacific Western University (USA). He also holds a Diploma in Business Administration and Management (USA), a Diploma of Sales and Marketing (USA) and is also a member of the American Institute of Management, Executive Council.

He joined the Ministry of Defence in 1957 and retired in 1975 with the rank of Warrant Officer after serving for 18 years.

Upon leaving the Government service in 1975, he joined the Melewar Corporation Group of Companies whereby he was responsible for several major construction projects. He left the Melewar Corporation Group in 1981 and became an active business partner and director of a property development group. He has wide and diverse expertise in the property development and construction industries.

He is also a member of the Executive Committee, Tender Committee and Corporate Announcement and Compliance Committee of the Company.

Dato' Dr Haji Dzulkarnain bin Shafiee is not a director of any other public listed company. He is neither related to any Director or major shareholder of the Company nor have any conflict of interest with the Company.

Dato' Dr Haji Dzulkarnain bin Shafiee has no conviction for any offences within the past 10 years.

Mr Wong Ah Chiew, a Malaysian, aged 57.

He is the Managing Director of the Company and was appointed to the Board of Directors on 12 December 1997.

He holds a Bachelor of Science degree in Electrical Engineering from the University of Strathclyde, Scotland and worked as an Electrical Engineer with Perak River Hydro Electric Power Co. Ltd from 1st September 1973 to 31st August 1982.

Upon leaving public service, he was appointed to the Board of Directors of Dindings Consolidated Sdn. Bhd. a property developer with projects mainly in Kuala Lumpur and Perak Darul Ridzuan. He managed the marketing and administrative aspects of the housing and commercial projects undertaken by the group.

He has more than 25 years experience in property development of residential and commercial projects, having previously held a managing director position in a public listed property development company.

He is currently a director of Willowglen MSC Berhad, a company involved in research, development and supply of computer-based control systems.

Mr Wong Ah Chiew is a member of several committees namely, Executive Committee, Audit Committee, Tender Committee, Employees' Share Option Scheme Committee and Corporate Announcement and Compliance Committee.

He is the brother of Mr Wong Chong Shee, the Deputy Managing Director of the Company. He is also the brother-in-law of Mdm Khor Chai Moi, an Executive Director and a major shareholder of the Company.

He does not have any conflict of interest other than those disclosed under Other Information and Notes to Accounts of this Annual Report.

Mr Wong Ah Chiew has no conviction for any offences within the past 10 years.

Profile Of Directors

Mr Wong Chong Shee, a Malaysian, aged 50.

He joined the Company in 1990 and was appointed Deputy Managing Director on 27 March 1993.

He graduated from the University of Glasgow with a Bachelor of Science in Civil Engineering and obtained a Master of Business Administration from the University of Edinburgh, United Kingdom.

Prior to joining the Company, he had a short stint as a manager of a timber-based manufacturing company before joining the banking industry as a manager with a local commercial bank for 6 years.

He is currently a member of the Executive Committee, Tender Committee, Employees' Share Option Scheme Committee, Remuneration Committee and Corporate Announcement and Compliance Committee.

He does not hold any other directorship in other public listed companies.

Mr Wong Chong Shee is the brother of Mr Wong Ah Chiew, the Managing Director and major shareholder of the Company. He is also the brother-in-law of Mdm Khor Chai Moi, an Executive Director and major shareholder of the Company.

He does not have any conflict of interest other than those disclosed under Other Information and Notes to Accounts of this Annual Report.

Mr Wong Chong Shee has no conviction for any offences within the past 10 years.

Mdm Khor Chai Moi, a Malaysian, aged 53.

She is the Executive Director of the Company and was appointed to the Board of Directors on 12 December 1997.

She holds a Bachelor of Business degree in Accounting from the University of South Queensland, Australia and a Master of Business Administration from the University of Hull, United Kingdom.

She has more than 13 years experience as the managing director of a group of companies actively involved in property development, trading and insurance services.

She is the Managing Director of Willowglen MSC Berhad, a company involved in research, development and supply of computer-based control systems.

She is a member of the Executive Committee, Employees' Share Option Scheme Committee and Risks Management Committee of the Company.

She is the sister-in-law of Mr Wong Ah Chiew, the Managing Director and major shareholder of the Company. She is also the sister-in-law of Mr Wong Chong Shee, the Deputy Managing Director of the Company.

She does not have any conflict of interest other than those disclosed under Other Information and Notes to Accounts of this Annual Report.

Mdm Khor Chai Moi has no conviction for any offences within the past 10 years.

Dato' Mohamed Tarmizi bin Mohd Tahir, a Malaysian, aged 69.

He joined the Board of Directors of the Company on 7 January 1998. He is an Independent Non-Executive Director. He graduated from the University of Malaya, with a Bachelor of Arts.

His public sector career started in 1961 at the District Office in Kuala Pilah, Negeri Sembilan as State Development Officer of Negeri Sembilan, Melaka and Pahang; General Manager of Jengka Development Corporation and Deputy Director of Budget in the Ministry of Finance and General Manager of the Perak Foundation in 1984.

He is a director of OSK Holdings Berhad and OSK Securities Berhad.

He is a member of the Audit Committee and Nominating Committee of the Company.

He does not hold any securities in the Company.

Dato' Mohamed Tarmizi bin Mohd Tahir is not related to any Director or major shareholder of the Company and does not have any conflict of interest with the Company.

Dato' Mohamed Tarmizi bin Mohd Tahir has no conviction for any offences within the past 10 years.

YM Ungku Haji Mohd Afandi bin Suleiman, a Malaysian, aged 58.

He joined the Board of Directors of the Company on 26 December 1989. He is an Independent Non-Executive Director. He holds a Diploma in Business Studies and Advance Diploma in Commercial Management.

He was a Senior Government Officer in the Ministry of Housing and Local Government before leaving the public sector to venture into property development. He is currently a well-established property developer.

Currently, he is a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

He does not hold any securities in the Company.

YM Ungku Haji Mohd Afandi bin Suleiman is not a director of any other public listed company. He is not related to any Director or major shareholder of the Company nor have any conflict of interest with the Company.

YM Ungku Haji Mohd Afandi bin Suleiman has no conviction for any offences within the past 10 years.

Mr Au Chun Choong, a Malaysian, aged 53.

He joined the Board of Directors of the Company on 30 December 1989 and is an Independent Non-Executive Director. He is a Fellow of the Association of Chartered Certified Accountants, an Associate Member of the Institute of Chartered Secretaries and Administrators, London, United Kingdom and a member of Malaysian Institute of Accountants.

He has vast experience in tax and finance in public accounting firms.

He was attached to the Inland Revenue Department in Perak for several years. He left public service in 1980 and joined several public accounting firms as tax manager and financial consultant.

He is a member of the Audit Committee, Employees' Share Option Scheme Committee, Nominating Committee, Remuneration Committee and Risks Management Committee of the Company.

He does not hold any securities in the Company.

Mr Au Chun Choong is not a director of any other public listed company. He is neither related to any Director or major shareholder of the Company nor have any conflict of interest with the Company.

Mr Au Chun Choong has no conviction for any offences within the past 10 years.

Encik Mohamed Zain bin Mohamed Yusoff, a Malaysian, aged 60.

He joined the Board of Directors of the Company on 26 August 2005 as an Independent Non-Executive Director. He holds a Bachelor of Science in Electrical and Electronics Engineering from the Brighton University of United Kingdom and is a member of MIEM, Professional Engineer.

He has about 12 years experience with Radio Television Malaysia with his last posting as Director of Engineering in 1981. He is the major shareholder and Managing Director of Perunding AJZ Sdn Bhd, a multi discipline engineering consulting firm.

He does not hold any securities in the Company.

Encik Mohamed Zain bin Mohamed Yusoff is not a director of any other public listed company. He is not related to any Director or major shareholder of the Company and does not have any conflict of interest with the Company.

Encik Mohamed Zain bin Mohamed Yusoff has no conviction for any offences within the past 10 years.

Audit Committee Report

1. Objectives

The principal objective of the Audit Committee is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries and oversee the compliance with the relevant rules and regulations governing listed companies.

2. Composition and Meetings

The Audit Committee presently comprises four Directors, of whom three are Independent Non-Executive Directors. One of the Independent Non-Executive Directors is a member of the Malaysian Institute of Accountants. Four meetings were held during the financial year. The details of attendance of each member are as follows:

Members of Audit Committee	Number of Committee Meetings	
	Held	Attended
Au Chun Choong (Chairman) (Independent Non-Executive Director)	4	4
YM Ungku Haji Mohd Afandi Bin Suleiman (Independent Non-Executive Director)	4	4
Dato' Mohamed Tarmizi Bin Mohd. Tahir (Independent Non-Executive Director)	4	2
Wong Ah Chiew (Non-Independent Executive Director)	4	4

The Executive Directors, Finance Director and Internal Audit Manager attended the meetings with the Company Secretary in attendance. During the period under review, one meeting was held separately with the Group's External Auditors without the presence of the Executive Board members to brief the Audit Committee on specific issues arising from the annual audit of the Group. Significant issues raised were taken note by the Management for improvement.

3. Summary Of Activities

During the financial year under review, the Audit Committee carried out the following activities:

- i) Reviewed with the External Auditors the results of the annual audit, their audit report and management letter together with Management's response to the findings of the auditors.
- ii) Reviewed the adequacy of the scope, functions and staffing requirements of Group's Internal Audit Department to ensure that it was adequately staffed by employees with the relevant skills, knowledge and experience to enable the Group's Internal Audit Department to perform its role and that it has the necessary authority to carry out its work.
- iii) Reviewed the internal audit reports, audit recommendations made and the Management's response to these recommendations. Where appropriate, the Audit Committee has directed actions to be taken by the Management to rectify and improve the system of internal controls and procedures based on the internal auditors' recommendations and suggestions for improvements.

- iv) Reviewed the quarterly results and year-end financial statements prior to the approval by the Board of Directors focusing particularly on: -
 - changes in or implementation of major accounting policy changes,
 - significant and unusual events, and
 - compliance with accounting standards and other legal requirements.
- v) Reviewed the related party transactions entered into by the Company and the Group.
- vi) The Chairman of the Audit Committee is a member of the Risks Management Committee and the Chairman attended quarterly meetings of the Risks Management Committee to review the adequacy of the risk management process.

4. Internal Audit Function

The Group Internal Audit Department assists the Audit Committee in the discharge of its duties and responsibilities. Its role is to provide independent and reasonable assurance that the systems of internal controls are adequate and effective.

The internal audit covers the review of the adequacy of risk management, operational controls and compliance with established policies and procedures.

5. Terms Of Reference Of The Audit Committee

5.1 Composition

The Audit Committee shall comprise four Directors, the majority of whom shall be Non-Executive and Independent Directors of the Company, and any of its subsidiaries and free from any relationships which might in the opinion of the Board of Directors be construed as conflict of interest.

One of the Independent Non-executive Directors of the Committee is a member of the Malaysian Institute of Accountants.

5.2 Meetings

Meetings shall be held not less than four times a year. In addition, the Chairman shall call for a meeting of the Committee if requested to do so by any member of the Committee, the Board of Directors, the Senior Management or Internal or External Auditors. The quorum for a meeting shall be two of which the majority shall be Independent Non-Executive Directors.

Minutes of meetings of the Audit Committee are circulated to all members of the Audit Committee and all members of the Board.

5.3 Authority

The Committee shall:

- i) have authority to investigate any matter within its terms of reference,
- ii) have the resources which are required to perform its duties,
- iii) have full and unrestricted access to any information pertaining to the Company and its subsidiaries,
- iv) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity,
- v) be able to obtain independent professional or other advice, and
- vi) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

Audit Committee Report

5.4 **Functions**

The Committee shall, amongst others, discharge the following functions:

- i) Review the following and report the same to the Board of Directors of the Company and subsidiaries:
 - a) the audit plan with the external auditors,
 - b) evaluation of the system of internal controls with the external auditors,
 - c) audit report with the external auditors,
 - d) the assistance given by the employees to the external auditors,
 - e) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work,
 - f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit functions,
 - g) the quarterly results and year end financial statements prior to the approval by the Board of Directors focusing particularly on:
 - i) changes in or implementation of major accounting policy changes,
 - ii) significant and unusual events, and
 - iii) compliance with accounting standards and other legal requirements.
 - h) any related party transactions and conflict of interest situation that may arise within the Company and subsidiaries or Group including any transactions, procedures or course of conduct that raises questions of management integrity,
 - i) any letter of resignation from the external auditors of the Company and subsidiaries, and
 - j) whether there is reason (supported by grounds) to believe that the Company's and subsidiaries' external auditor is not suitable for re-appointment.
- ii) Recommend the nomination of a person or persons as external auditors.

Corporate Governance Statement

The Board of Directors of PJ Development Holdings Berhad ("The Board") is fully committed to ensuring that the highest standards of corporate governance are in place and are being practiced throughout the Company and Group towards enhancing business prosperity, maximizing shareholders' value and supporting excellent corporate conduct.

The Board is pleased to report to the shareholders on the manner the Group has applied the Principles of Good Corporate Governance and the extent to which it has complied with the best practices set out in the Malaysian Code of Corporate Governance.

1. BOARD OF DIRECTORS

1.1 Board Responsibilities

The Board plays a primary role in corporate governance by setting out the strategic direction of the Group, establishing goals and monitoring the achievement of the goals.

1.2 Board Balance

The Board consists of eight (8) members; comprising an Executive Chairman, three (3) Executive Directors and four (4) Independent Non-Executive Directors.

Encik Mohamed Zain Bin Mohamed Yusoff was appointed as an Independent Non-Executive Director on 26th August 2005.

More than one third (1/3) of the Board is represented by Independent Non-Executive Directors who are independent of Management, thereby ensuring independence in the Board's deliberations and decision-making.

The profile of the Board is set out under Profile of Directors of this Annual Report.

The Directors combined in them have expertise and experience in various fields such as economics and investment, public services, accounting and legal. Their expertise, experience and background result in thorough examination and deliberations of the various issues and matters affecting the Group.

There is a clear division of responsibilities between the Chairman, the Managing Director and Independent Non-Executive Directors to ensure a proper balance of power and authority. In the opinion of the Board, the appointment of a senior independent non-executive director to whom concerns may be conveyed is not necessary. The Board operates in an open environment in which information is freely exchanged and in these circumstances any concern need not be focused on a single director as all members of the Board fulfill this role collectively.

The Board is satisfied that investment of the minority shareholders is fairly reflected through Board representation.

1.3 Board Meetings

The Board meets regularly on a quarterly basis, with additional meetings convened as necessary. Any director can call for a Board meeting, provided sufficient notice is given. Notice of Board meetings with an agenda and full Board papers for each agenda item to be discussed would be distributed to all directors for timely and accurate information prior to the meeting.

At each meeting the Board considers the financial statements and results of the Group for the period ended for each quarter, the performance of the business of the Group, capital expenditure items, new business development proposals, policies and strategic issues affecting the Group's business and factors imposing potential risks in the business of the Group.

The Board met four (4) times during the financial year 2004/2005.

Corporate Governance Statement

Details of attendance of Directors at Board meetings are as follows:-

Executive Directors	Attendance of Meetings
1. Dato' Dr Haji Dzulkarnain bin Shafiee	4/4
2. Wong Ah Chiew	4/4
3. Wong Chong Shee	3/4
4. Khor Chai Moi	4/4
Independent Non-Executive Directors	
5. Dato' Mohamed Tarmizi bin Mohd Tahir	2/4
6. YM Ungku Haji Mohd Afandi bin Suleiman	4/4
7. Au Chun Choong	4/4
8. Mohamed Zain Bin Mohamed Yusoff (appointed on 26.08.2005)	-

1.4 Board Committees

The Board has established various committees comprising a mix of directors and senior management to assist them in the daily operations and management of the Company and Group.

Executive Committee

The Executive Directors of the Company form the Executive Committee with authority to act on behalf of the Board. The Committee's primary objective is to assist the Board in managing the business, operations and financial aspects of the Company and Group, including corporate plans and annual budgets, capital investments, project and business development, internal controls and changes in Group's policies and procedures and recommend relevant issues to the Board for noting, deliberation and approval.

Nominating Committee

The Nominating Committee comprising three (3) Independent Non-Executive Directors, recommends to the Board on the assessment and appointment of new Directors and ensure appropriate structure for management succession.

The Committee meets to discuss and review the assessment of other Committees members in a periodic review of the members' performance and their contribution to their respective Committees and make recommendations to the Board.

Remuneration Committee

Two (2) independent directors and an executive director sit on this Committee. The Committee carries out annual reviews and recommends to the Board the remuneration, compensation and benefits package of the Executive Directors.

Tender Committee

The members of this Committee, comprising three (3) Executive Directors and two (2) corporate services officers meet regularly to ensure the tendering processes are fairly and properly conducted.

Employees' Share Option Scheme ("ESOS") Committee

The ESOS Committee of three (3) Executive Directors and one (1) Independent Non-Executive Director was primarily formed to administer the Company's ESOS within the powers and duties as are conferred upon the Committee.

Corporate Announcement and Compliance ("CAC") Committee

The CAC Committee comprises six members, of which three (3) are Executive Directors and three (3) corporate management officers. The Committee is authorised to propose, review and recommend all required corporate announcements and recommend, approve and implement action plans to ensure compliance with the Listing Requirements of Bursa Malaysia.

Risks Management Committee

The members of this Committee comprising an Executive Director, an Independent Non-Executive Director and four corporate management officers namely Heads of Finance and Internal Audit meet on a quarterly basis to review the adequacy of risk management process in the Group.

Management Committees at operational levels are in place and have been delegated the task of reporting to the Board on their relevant responsibilities.

1.5 Directors' Training

All Directors, with the exception of Encik Mohamed Zain Bin Mohamed Yusoff who was appointed to the Board on 26th August 2005, have attended and completed the Mandatory Accreditation Program (MAP) as prescribed by the Listing Requirements of Bursa Malaysia.

Encik Mohamed Zain Bin Mohamed Yusoff will attend the MAP within the prescribed time for compliance.

The Board members have attended various training under the Continuing Education Program ("CEP") organised and conducted by approved trainers.

1.6 Supply Of Information

The Directors are supplied with all relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters prior to Board meetings to give Directors time to deliberate on issues to be raised at meetings.

The Directors have direct access to the Senior Management for information and assistance and the advice and services of the Company Secretaries. Independent professional advice is also made available to the Directors in the event such services are required.

Directors from time to time are brought to the locations of business units to have a thorough understanding of the operations.

1.7 Re-election Of Directors

In accordance with the Company's Articles of Association, Directors shall retire from office at least once in three (3) years but shall be eligible for re-election.

Corporate Governance Statement

2. DIRECTOR'S REMUNERATION

The remuneration package of the Directors are as follows:-

i) Aggregate Remuneration

Remuneration	Executive Directors	Non-Executive Directors	Total
Fees	32,000	30,000	62,000
Directors' salary, other Emoluments and Benefits	2,237,927	-	2,237,927
Allowances	-	3,000	3,000

ii) Analysis of Remuneration

Range of Remuneration	No. of Directors	
	Executive	Non-Executive
< RM50,000	-	3
RM200,001 – RM250,000	1	-
RM600,001 – RM650,000	2	-
RM750,001 – RM800,000	1	-

3. SHAREHOLDERS

3.1 Dialogue between Company and Investors

The Group recognises the importance of keeping shareholders informed of developments concerning the Group. The Group reaches out to each and every shareholder through its distribution of Annual Reports and relevant circulars and announcements of quarterly results of the Group to Bursa Malaysia Securities Berhad. The Company's Annual Report is informative with facts and figures, statutory reports and disclosures.

The Company and subsidiary companies and divisions in the Group have set up websites for shareholders and the public to access corporate information, news and events related to the Group.

Our corporate website is at www.pjdh.com.my

3.2 Annual General Meeting

The Board encourages full participation by shareholders at every General Meeting of the Company and every opportunity is given to the shareholders to ask questions and seek clarification on the business and performance of the Group.

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

In its financial reporting to the shareholders and other interested parties by means of annual financial statements and quarterly results announcements, the Board aims to present a balanced and understandable assessment of the Group's financial position and prospects.

4.2 Statement of Directors' Responsibility

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results of the Group and Company for that financial year.

The Directors are satisfied that in preparing the financial statements of the Group for the year ended 30th June 2005, appropriate accounting policies have been adopted, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors also consider that all relevant approved accounting standards have been followed in the preparation of these statements.

The Directors are also responsible for safeguarding the assets of the Group and of the Company and have taken reasonable steps in the prevention and detection of fraud and other irregularities.

4.3 Internal Control

The information on the Group's internal control is presented in the Statement on Internal Control of this Annual Report.

4.4 Audit Committee

The Company has an Audit Committee whose composition meets the Listing Requirements of Bursa Malaysia, that is, majority of members are Non-Executive and Independent Directors and one of whom is a member of the Malaysian Institute of Accountants.

The Audit Committee meets periodically to carry out its functions and duties pursuant to its Terms of Reference. Other Board members are also invited to attend the meeting. At least once a year the Audit Committee meets with the external auditors without executive board members present.

The role of the Audit Committee, its Terms of Reference and attendance of each member during the financial year is set out in the Audit Committee Report of this Annual Report.

4.5 Relationship with External Auditors

Through the Audit Committee, the Group has established a transparent and appropriate relationship with the Group's external auditors. Representatives of the External Auditors were invited for the meeting to brief the Audit Committee on specific issues arising from the annual audit of the Group.

Statement On Internal Control

Introduction

Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia requires the Board of Directors of a listed company to include in its annual report a "statement about the state of internal control of the company as a group". The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement which outlines the nature and scope of internal control of the Group during the year.

Board Responsibility

The Board acknowledges its responsibility for the Group's system of internal control and for reviewing its adequacy and integrity. The system of internal control covers, inter alia, internal audit, risk management, financial, operational and compliance controls. However, it should be noted that any system can only provide reasonable and not absolute assurance against material misstatement or loss.

Key Internal Control Processes

The key processes that have been established in reviewing the adequacy and integrity of the system of internal control, include the following:

- i) The Audit Committee reviews issues on various aspects of system in operation, practices and procedures and internal controls identified by the Internal and External Auditors and to ensure adequate corrective actions had been taken by the Management.
- ii) The Group's Internal Audit Department is independent of the activities it audits. It conducts audit visits to the key business units of the Group on a basis of an annual internal audit plan which is reviewed and approved by the Audit Committee. The Management is responsible for ensuring appropriate corrective actions on the reported weaknesses or non-compliance, in accordance to the Internal Auditors' recommendations, are taken within the required timeframe. Audit reports together with the Management's response are circulated to the Audit Committee for review.
- iii) Risk management process and implementation of appropriate measures and controls to manage the risks have been established and are in place to achieve the Group's strategic business and operational objectives for the financial year under review.

The Risks Management Committee (RMC), comprising an Executive Director, Chairman of the Audit Committee, Finance Director and Internal Audit Manager, assists the Board and Audit Committee to oversee the overall risk management processes in the Group. Risks Management Units (RMU) at the operational levels are responsible for identification, evaluation and management of risks affecting the businesses and operations on an on-going basis. RMC meetings are held on a quarterly basis to critically review the risk management reports submitted by the respective RMUs and to evaluate the controls effectiveness and appropriate actions for managing the risks.

- iv) A management structure exists with clearly defined lines of accountability and appropriate authority which sets out the decisions that need to be taken at various levels of management which include matters that require the Board's approval. These include the establishment of Executive Committee, Tender Committee and Management Committee.

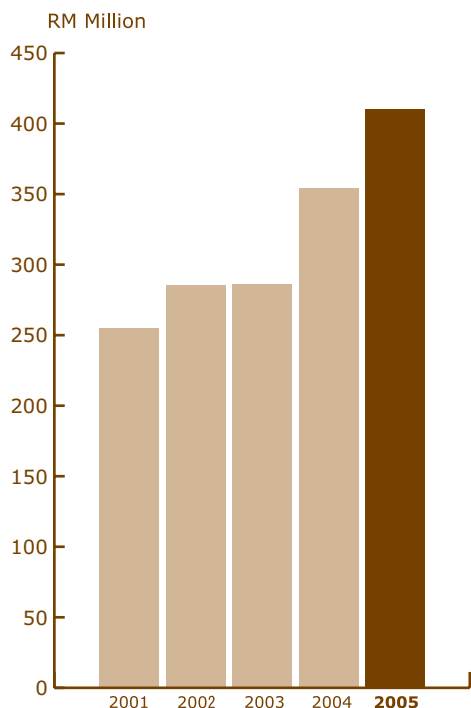
- v) There is strategic planning, budgeting and target setting processes including forecast for each area of business with detailed reviews at all levels of operation and also reviews and approvals of the annual budget.
- vi) Business Planning Review meetings are held on a quarterly basis with the Operating Management to critically review the business performances and the results against the budget and to take appropriate actions and to chart new direction/strategy if necessary.
- vii) Adequate financial and operational information systems are in place to capture and present timely and pertinent internal business information. Clear reporting structure ensures financial and operational reports are prepared and presented to the Management and the Board for review on a timely basis.
- viii) Policies, procedures and guidelines on issues concerning responsibilities and authority for crucial business and operational matters are clearly defined. Significant expenditure of capital, operational and investment nature are properly evaluated and approved by the Executive Committee.

There were no material losses incurred during the current financial year as a result of weaknesses in internal control. Management continues to take measures to strengthen the control environment.

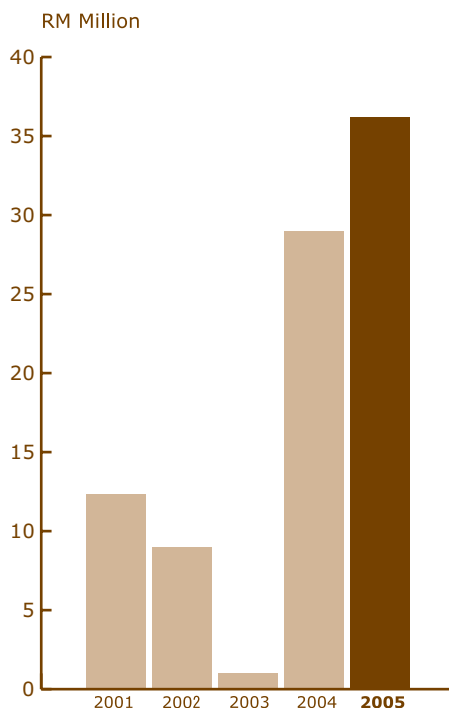
Five Years Group Financial Highlights

Financial Year End (RM Million)	June 2005	June 2004	June 2003	June 2002	June 2001
Revenue	410	354	286	285	255
Profit Before Tax	36.2	29.0	1.0	9.0	12.3
Profit/(Loss) After Tax and After Minority Interests	27.6	19.5	(2.0)	4.5	8.2
Paid-up Capital	456	456	456	456	456
Shareholders' Funds	706	711	731	737	735
Basic Earnings/(Loss) Per Share (sen)	6.1	4.3	(0.5)	1.0	2.1
Dividends Per Share (sen)	4.0	4.0	1.0	1.0	1.0
Net Tangible Assets Per Share (RM)	1.53	1.54	1.59	1.60	1.60

REVENUE



PROFIT BEFORE TAXATION



Financial Statements



36	Directors' Report
42	Statement by Directors
42	Statutory Declaration
43	Report of the Auditors
44	Balance Sheets
45	Income Statements
46	Statements of Changes in Equity
48	Cash Flow Statements
50	Notes to Financial Statements

Directors' Report

for the year ended 30 June 2005

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 30 June 2005.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and property investment, whilst the principal activities of the subsidiaries are as stated in Note 31 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Net profit for the year	27,569	15,941

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company paid:

- i) a final dividend of 4% less tax at 28% totalling RM13,137,000 in respect of the year ended 30 June 2004 on 31 January 2005; and
- ii) an interim dividend of 2% less tax at 28% totalling RM6,568,000 in respect of the year ended 30 June 2005 on 29 April 2005.

The Directors recommend a final dividend of 2% less tax at 28% totalling RM6,568,000 for the current financial year.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Dato' Dr. Haji Dzulkarnain bin Shafiee
 Wong Ah Chiew
 Wong Chong Shee
 Khor Chai Moi
 Dato' Mohamed Tarmizi bin Mohd. Tahir
 YM Ungku Haji Mohd. Afandi bin Suleiman
 Au Chun Choong
 Mohamed Zain bin Mohamed Yusoff (appointed on 26 August 2005)

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

DIRECTORS OF THE COMPANY (CONT'D)

Company	Number of ordinary shares of RM1.00 each			
	At 1.7.2004	Bought	Sold	At 30.6.2005
Direct interest:				
Dato' Dr. Haji Dzulkarnain bin Shafiee	11,000	53,000	-	64,000
Wong Ah Chiew	1,608,000	2,376,000	(1,608,000)	2,376,000
Wong Chong Shee	1,100,000	200,000	-	1,300,000
Khor Chai Moi	15,698,121	-	-	15,698,121
Indirect interest:				
Dato' Dr. Haji Dzulkarnain bin Shafiee *	53,000	-	-	53,000
Wong Ah Chiew **	89,744,081	2,812,200	(2,376,000)	90,180,281
Khor Chai Moi ***	24,343,405	86,840,081	-	111,183,486

The Directors' interests in options pursuant to Employees' Share Option Scheme are set out below:

Company	Number of options over ordinary shares of RM1.00 each			
	At 1.7.2004	Offered and accepted	Lapsed/ Expired	At 30.6.2005
Dato' Dr. Haji Dzulkarnain bin Shafiee	800,000	-	(800,000)	-
Wong Ah Chiew	640,000	-	(640,000)	-
Wong Chong Shee	640,000	-	(640,000)	-
Khor Chai Moi	640,000	-	(640,000)	-

The holdings and deemed holdings in the warrants of the Company of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

Company	Number of Warrants A			
	At 1.7.2004	Bought	Sold	At 30.6.2005
Direct interest:				
Dato' Dr. Haji Dzulkarnain bin Shafiee	108,708	-	-	108,708
Wong Ah Chiew	1,135,890	-	-	1,135,890
Khor Chai Moi	1,307,965	-	(1,307,900)	65
Indirect interest:				
Wong Ah Chiew ****	7,883,234	-	(415,000)	7,468,234
Khor Chai Moi *****	2,097,973	7,883,234	(2,512,827)	7,468,380

Directors' Report

for the year ended 30 June 2005

DIRECTORS OF THE COMPANY (CONT'D)

Company	Number of Warrants B			At 30.6.2005
	At 1.7.2004	Bought	Sold	
Direct interest:				
Dato' Dr. Haji Dzulkarnain bin Shafiee	2,000	2,000	-	4,000
Wong Ah Chiew	402,000	-	-	402,000
Wong Chong Shee	33	-	-	33
Khor Chai Moi	8,581,199	-	-	8,581,199
Indirect interest:				
Wong Ah Chiew ****	31,593,392	-	-	31,593,392
Khor Chai Moi ***	4,927,470	31,615,392	(4,000)	36,538,862

* By virtue of shares held through nominees

** By virtue of shares held by Dindings Consolidated Sdn. Bhd. and through nominees

*** By virtue of shares/warrants held by Dindings Consolidated Sdn. Bhd., Ladang Setia Sdn. Bhd., family members and through nominees

**** By virtue of warrants held by Dindings Consolidated Sdn. Bhd.

***** By virtue of warrants held by Dindings Consolidated Sdn. Bhd., Ladang Setia Sdn. Bhd. and family members

By virtue of their interests in the shares of the Company, Wong Ah Chiew and Khor Chai Moi are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

The deemed interest of Wong Ah Chiew and Khor Chai Moi in the shares of non wholly-owned subsidiaries of the Company as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1.00 each			
	At 1.7.2004	Bought	Sold	At 30.6.2005
Damai Laut Golf Resort Sdn. Bhd.	29,500,000	-	-	29,500,000
Swiss-Garden Rewards Sdn. Bhd.	70,000	-	-	70,000

	Number of ordinary shares of 10.00 Thai Baht each			
	At 1.7.2004	Bought	Sold	At 30.6.2005
PJDCI Co., Ltd.	-	242,500	-	242,500
PJDC Co., Ltd.	-	14,925,000	-	14,925,000

	Number of redeemable preference shares of RM1.00 each			
	At 1.7.2004	Bought	Sold	At 30.6.2005
Damai Laut Golf Resort Sdn. Bhd.	-	20,000,000	-	20,000,000

None of the other Directors holding office at 30 June 2005 had any interest in the shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than as disclosed in Note 29 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of warrants and the Employees' Share Option Scheme.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

(a) Employees' Share Option Scheme

At an Extraordinary General Meeting held on 16 June 1999, the shareholders of the Company approved a new Employees' Share Option Scheme ("ESOS") upon expiry of the previous scheme on 29 March 1999. This was subsequently approved by the relevant authorities.

Under this new ESOS, which became effective for a period of 5 years from 13 August 1999, the aggregate number of options exercised during the previous scheme amounting to 1,981,000 options and the options to be exercised under the new scheme shall not exceed 10% of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS.

The options offered and accepted under the ESOS and the remaining outstanding options as at 30 June 2005 are as follows:

Date of offer	Option Price	Number of options over ordinary shares of RM1.00 each				
		Balance at 1.7.2004	Offered and accepted	Lapsed/ Expired	Exercised	Balance at 30.6.2005
17.08.1999	RM1.06	12,890,800	-	(12,890,800)	-	-
07.07.2000	RM1.06	1,160,000	-	(1,160,000)	-	-
06.06.2002	RM1.00	2,083,200	-	(2,083,200)	-	-
09.08.2002	RM1.00	1,038,000	-	(1,038,000)	-	-

The options expired on 12 August 2004.

The salient features of the ESOS were as follows:

- i) Eligible employees and Executive Directors were those who had been confirmed in service as employees of the Group for at least twelve months prior to the date of the offer and full time Executive Directors of the Group. Where the employee was serving under a fixed term contract of employment, the contract should be for a duration of at least 3 years. Executive Directors or eligible employees who had participated under an earlier scheme might be allowed to participate in this new scheme subject to them having completed at least 5 years of continuous service in the Company.
- ii) The option was personal to the grantee and was non-assignable.
- iii) The option price should be determined by the average of the mean market quotation of the Company's ordinary shares as shown in the Daily Official List issued by Bursa Malaysia Securities Berhad for the five trading days preceding the respective dates of the offer in writing to the grantee or at the par value of the ordinary shares of the Company, whichever was higher.
- iv) The options granted might be exercised at anytime within a period of five years from the date of offer of the option or such shorter period as may be specifically stated in the offer upon giving notice in writing to the Company.
- v) The options granted might be exercised according to the following scale provided that the numbers to be exercised were in multiples of 1,000 ordinary shares:

Year of the option period	Cumulative % of the maximum entitlement
1	20
2	40
3	60
4	80
5	100

The persons to whom the options had been granted have no right to participate by virtue of the options in any share issue of any other company within the Group.

Directors' Report

for the year ended 30 June 2005

OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)

(b) Warrants

i) Warrants A

On 8 November 1995, the Company issued RM150,000,000 nominal amount of bonds together with 104,244,681 detachable warrants to the primary subscriber.

On 13 November 1995, the primary subscriber offered for sale 104,244,681 warrants to the shareholders at an offer price of RM0.406 per warrant on the basis of two (2) warrants for every five (5) ordinary shares held after the bonus issue and rights issue entitlement, with the balance thereof to be allocated to applicants for excess warrants.

These warrants confer upon the registered holder the right at any time on or after 8 November 1995 but not later than 5.00 p.m. on 7 May 2000 to subscribe for an equal number of ordinary shares ("New Shares") of RM1.00 each in the Company at the Exercise Price of RM2.00 for each New Share or such adjusted price as may for the time being be applicable subject to the Deed Poll dated 17 October 1995 and the Supplemental Deed Poll dated 20 March 1998 and the Conditions set out therein.

On 18 November 1998, the Board announced that the Company proposed an extension of the Company's warrants from 4 years 6 months to 10 years, therefore extending the expiry date from 7 May 2000 to 7 November 2005 (or if 7 November 2005 shall not be a Market Day, on the first Market Day immediately preceding 7 November 2005). This was subsequently approved by the relevant authorities and a second Supplemental Deed Poll was executed on 1 July 1999. Adjustments were made to the number and exercise price of outstanding Warrants A pursuant to the Rights Issue which was completed on 31 October 2000. Accordingly, an additional 6,634,521 new Warrants A were issued. The exercise price was revised from RM2.00 to RM1.87 in accordance with the Deed Poll.

As at 30 June 2005, 110,866,659 Warrants A had yet to be converted to ordinary shares.

ii) Warrants B

Pursuant to the Rights Issue which was completed on 31 October 2000, the Company issued 171,049,587 new ordinary shares of RM1.00 each at par together with 114,032,898 detachable warrants ("Rights Warrants") at no cost on the basis of three (3) Rights Shares together with two (2) Rights Warrants attached thereto for every five (5) existing ordinary shares of RM1.00 each held.

The exercise price of each Rights Warrant shall be RM1.10 per ordinary share for the first five (5) years of the exercise period and RM1.20 thereafter for the subsequent five (5) years or such adjusted price as may for the time being be applicable subject to the Deed Poll dated 14 August 2000. The exercise period shall commence from the date of issue of the Rights Warrants and will expire on 29 October 2010 at 5.00 p.m..

As at 30 June 2005, 114,032,898 Warrants B had yet to be converted to ordinary shares.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the effect arising from the change in accounting policy as further disclosed in Note 33 to the financial statements, the results of the operations of the Group and of the Company for the financial year ended 30 June 2005 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

Dato' Dr. Haji Dzulkarnain bin Shafiee

Wong Ah Chiew

Kuala Lumpur,

7 October 2005

Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 44 to 87 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 June 2005 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

Dato' Dr. Haji Dzulkarnain bin Shafiee

Wong Ah Chiew

Kuala Lumpur,

7 October 2005

Statutory Declaration pursuant to Section 169(16) of the Companies Act, 1965

I, **Yap Yoon Kong**, the officer primarily responsible for the financial management of PJ Development Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 44 to 87 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 7 October 2005.

Yap Yoon Kong

Before me:

Teong Kian Meng (W147)
Commissioners for Oaths
Kuala Lumpur

Report of the Auditors to the members of PJ Development Holdings Berhad

We have audited the financial statements set out on pages 44 to 87. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 30 June 2005 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors and those consolidated using management financial statements are identified in Note 31 to the financial statements and we have considered their management financial statements and financial statements and the auditors' reports thereon, where applicable.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under sub section (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Chartered Accountants

Tang Seng Choon
Partner
Approval Number: 2011/12/05(J)

Kuala Lumpur,

7 October 2005

Balance Sheets

at 30 June 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property, plant and equipment	2	458,811	477,617	2,445	2,299
Investments in subsidiaries	3	-	-	425,857	186,517
Investments in associates	4	30,287	2	-	-
Other investments	5	52,622	76,007	-	-
Land held for property development	6	142,817	153,003	-	-
Amount due from subsidiaries	7	-	-	250,422	473,545
Intangible assets	8	7,262	7,909	-	-
Trade and other receivables	9	11,350	9,692	-	-
Deferred tax assets	17	2,781	3,167	-	-
		705,930	727,397	678,724	662,361
Current assets					
Inventories	10	31,799	32,722	-	-
Property development costs	11	105,937	93,835	-	-
Trade and other receivables	9	177,035	155,801	269	318
Tax recoverable		7,648	6,345	5,862	5,074
Cash and cash equivalents	12	31,333	36,142	75	134
		353,752	324,845	6,206	5,526
Current liabilities					
Trade and other payables	13	122,037	107,056	791	1,464
Borrowings	14	107,038	120,728	47,554	40,225
Taxation		5,264	5,431	-	-
		234,339	233,215	48,345	41,689
Net current assets/(liabilities)		119,413	91,630	(42,139)	(36,163)
		825,343	819,027	636,585	626,198
Financed by:					
Capital and reserves					
Share capital	15	456,132	456,132	456,132	456,132
Reserves	16	250,059	254,524	79,575	83,339
		706,191	710,656	535,707	539,471
Minority Shareholders' Interest		250	-	-	-
Long term and deferred liabilities					
Amount due to subsidiaries	7	-	-	57,753	47,352
Trade and other payables	13	23,630	19,351	-	-
Borrowings	14	85,292	78,922	43,125	39,375
Deferred tax liabilities	17	9,980	10,098	-	-
		118,902	108,371	100,878	86,727
		825,343	819,027	636,585	626,198

The financial statements were approved and authorised for issue by the Board of Directors on 7 October 2005.

The notes set out on pages 50 to 87 form an integral part of, and should be read in conjunction with, these financial statements.

Income Statements

for the year ended 30 June 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue	18	409,856	354,296	38,381	24,679
Operating profit	18	41,643	39,562	25,228	22,143
Financing costs	20	(8,443)	(11,898)	(6,471)	(5,946)
Interest income	21	1,681	1,359	3,508	4,784
Share of profit of associates		1,291	-	-	-
Profit before taxation		36,172	29,023	22,265	20,981
Tax expense	22	(8,603)	(8,764)	(6,324)	(6,839)
Profit after taxation		27,569	20,259	15,941	14,142
Less: Minority interests		-	(755)	-	-
Net profit for the year		27,569	19,504	15,941	14,142
Basic earnings per ordinary share (sen)	23	6.04	4.28		
Dividends per ordinary share - gross (sen)	24	4.00	4.00	4.00	4.00

The notes set out on pages 50 to 87 form an integral part of, and should be read in conjunction with, these financial statements.

Statements of Changes in Equity

for the year ended 30 June 2005

	Note	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Translation reserve RM'000	Retained profits RM'000	Total RM'000
Group							
At 1 July 2003 (as previously stated)		456,132	39,773	89,199	-	146,252	731,356
Effect of adopting FRS 201	33	-	-	-	-	(27,973)	(27,973)
At 1 July 2003 (restated)		456,132	39,773	89,199	-	118,279	703,383
Deficit on revaluation of hotel properties		-	-	(8,947)	-	-	(8,947)
Net loss not recognised in the income statement		-	-	(8,947)	-	-	(8,947)
Net profit for the year	33	-	-	-	-	19,504	19,504
Dividends -2003 first and final	24	-	-	-	-	(3,284)	(3,284)
At 30 June 2004		456,132	39,773	80,252	-	134,499	710,656
At 1 July 2004 (as previously stated)		456,132	39,773	80,252	-	163,024	739,181
Effect of adopting FRS 201	33	-	-	-	-	(28,525)	(28,525)
At 1 July 2004 (restated)		456,132	39,773	80,252	-	134,499	710,656
Impairment loss on hotel properties		-	-	(17,404)	-	-	(17,404)
Exchange differences on translation of the financial statements of associates		-	-	-	5,075	-	5,075
Net gain and loss not recognised in the income statement		-	-	(17,404)	5,075	-	(12,329)
Net profit for the year	33	-	-	-	-	27,569	27,569
Dividends -2004 first and final -2005 interim	24	-	-	-	-	(13,137) (6,568)	(13,137) (6,568)
At 30 June 2005		456,132	39,773	62,848	5,075	142,363	706,191

Note 15

	Note	Share capital RM'000	Non-distributable Share premium RM'000	Distributable Retained profits RM'000	Total RM'000
Company					
At 1 July 2003		456,132	39,773	32,708	528,613
Net profit for the year		-	-	14,142	14,142
Dividends - 2003 first and final	24	-	-	(3,284)	(3,284)
At 30 June 2004/1 July 2004		456,132	39,773	43,566	539,471
Net profit for the year		-	-	15,941	15,941
Dividends - 2004 first and final	24	-	-	(13,137)	(13,137)
- 2005 interim		-	-	(6,568)	(6,568)
At 30 June 2005		456,132	39,773	39,802	535,707
		Note 15		Note 16	

The notes set out on pages 50 to 87 form an integral part of, and should be read in conjunction with, these financial statements.

Cash Flow Statements

for the year ended 30 June 2005

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from operating activities				
Profit before taxation	36,172	29,023	22,265	20,981
Adjustments for:				
Allowance for diminution in value of investments - quoted	-	1,890	-	-
- unquoted	-	-	10,000	-
Amortisation of goodwill on consolidation	647	647	-	-
Depreciation	13,981	13,673	131	49
Dividend income	(1,411)	(2,330)	(38,000)	(24,400)
Gain on disposal of long term quoted investments	(86)	(2,460)	-	-
Gain on disposal of property, plant and equipment	(538)	(270)	(1)	-
Interest expense	7,045	10,909	5,955	5,674
Interest income	(1,681)	(1,359)	(3,508)	(4,784)
Property, plant and equipment written off	381	379	-	-
Share of profit of associates	(1,291)	-	-	-
Operating profit/(loss) before working capital changes	53,219	50,102	(3,158)	(2,480)
Decrease/(Increase) in working capital:				
Inventories	923	9,147	-	-
Property development costs and land held for property development	2,265	9,416	-	-
Trade and other receivables	(22,892)	(41,221)	49	(110)
Trade and other payables	20,103	17,999	(673)	759
Cash generated from/(used in) operations	53,618	45,443	(3,782)	(1,831)
Income taxes paid	(8,511)	(4,954)	-	(157)
Income taxes refunded	-	-	728	-
Net cash generated from/(used in) operating activities	45,107	40,489	(3,054)	(1,988)
Cash flows from investing activities				
Proceeds from disposal of quoted investments	86	50,781	-	-
Additional investments in subsidiaries	-	-	(249,340)	(2,044)
Proceeds from disposal of property, plant and equipment	996	554	2	-
Purchase of property, plant and equipment	(17,264)	(9,044)	(278)	(123)
Purchase of investments	(534)	(18,131)	-	-
Interest received	1,681	1,359	3,508	4,784
Dividends received	1,033	1,693	30,160	17,568
Investment in associate	-	(2)	-	-
Increase in pledged deposits placed with a licensed bank	(177)	-	-	-
Compensation received on property, plant and equipment	2,087	-	-	-
Net cash (used in)/generated from investing activities	(12,092)	27,210	(215,948)	20,185

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from financing activities				
Repayments by/(advances to) subsidiaries	-	-	233,524	(15,350)
Interest paid	(11,226)	(13,728)	(5,955)	(5,674)
Dividends paid to shareholders of the Company	(19,705)	(3,284)	(19,705)	(3,284)
Proceeds from loans and other borrowings	162,113	65,235	58,700	46,600
Repayments of loans and other borrowings	(175,864)	(50,768)	(47,925)	(21,700)
Proceeds from issuance of shares to minority shareholders	250	-	-	-
Net cash (used in)/generated from financing activities	(44,432)	(2,545)	218,639	592
Net (decrease)/increase in cash and cash equivalents	(11,417)	65,154	(363)	18,789
Cash and cash equivalents at beginning of year	31,513	(33,641)	134	(18,655)
Cash and cash equivalents at end of year	20,096	31,513	(229)	134

Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash and bank balances		30,730	35,864	75	134
Bank overdrafts	14	(11,060)	(4,629)	(304)	-
Deposits placed with licensed banks (excluding deposits pledged)		426	278	-	-
		20,096	31,513	(229)	134

The notes set out on pages 50 to 87 form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and by the Company and are consistent with those adopted in previous years except for the adoption of FRS 201 Property Development Activities.

In addition to the new policy and extended disclosures where required by this new standard, the effect of change in the above accounting policy is disclosed in Note 33 to these financial statements.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Property, plant and equipment

Freehold land, freehold hotel properties, operating equipment of hotel properties, freehold golf course and capital work-in-progress are stated at cost/valuation and are not amortised/depreciated. All other property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses.

Cost of the golf course includes freehold land cost and attributable development expenditure.

The Group revalues its hotel properties every three (3) to five (5) years or at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statement.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (cont'd)

Depreciation

Freehold land, freehold hotel properties, operating equipment of hotel properties, freehold golf course and capital work-in-progress are not amortised/depreciated. The straight line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates:

Leasehold hotel properties	Over the remaining lease period of 90 years
Long term leasehold land	Over the lease period of 56 years and 96 years
Buildings and improvements	2% to 20%
Jetty and infrastructure	2%
Plant, machinery and electrical installation	5% to 20%
Motor vehicles and boats	10% to 20%
Hotel furniture, fittings and equipment	10% to 20%
Furniture, fittings and equipment	10% to 20%
Computers	20% to 30%

No depreciation is provided on freehold hotel properties. It is the Group's practice to maintain these properties in such condition that the residual value is so significant that depreciation would be irrelevant. The carrying amount of the Group's hotel properties are reviewed at each balance sheet date to determine whether there is any indication of impairment (see Note 1(n)).

The base stock of operating equipment for hotel properties is not depreciated while subsequent replacement cost is charged to the income statement. The non-depreciation of base stock together with the charging of subsequent replacement cost to the income statement has no material effect on the financial statements as compared to the capitalisation and depreciation of the operating equipment.

No depreciation is provided on golf course. The related maintenance expenditure is dealt with in the income statement.

(d) Investments

Long term investments, other than in subsidiaries and associates, are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

Long term investments in subsidiaries and associates are stated at cost in the Company less impairment loss where applicable.

Current unquoted investments are stated at the lower of cost and net realisable value while current quoted investments are stated at the lower of cost and market value on an individual investment basis.

(e) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

Unrealised profits arising on transactions between the Group and its associates which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associates. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Land held for property development

Land held for property development consist of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Group's normal operating cycle of two to three years. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's normal operating cycle of two to three years.

Land held for property development comprise cost associated with the acquisition of land and all cost incurred on activities necessary to prepare the land for its intended use prior to reclassification to property development costs.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS 201.

(g) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is shown as accrued billings under trade and other receivables and the excess of billings to purchasers over revenue recognised in the income statement is shown as progress billings under trade and other payables.

(h) Intangible assets

Goodwill represents the excess of the cost of acquisition over the fair values of the net identifiable assets acquired and is stated at cost less accumulated amortisation and accumulated impairment losses (refer Note 1(n)).

Negative goodwill represents the excess of the fair values of the net identifiable assets acquired over the cost of acquisition and is stated at cost less accumulated amortisation.

Goodwill is amortised/recognised in the income statement from the date of initial recognition over their estimated useful life of not more than twenty (20) years.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Inventories

(i) *Developed properties held for sale*

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties to completion.

(ii) *Other inventories*

Raw materials, work-in-progress, manufactured inventories and spares and consumables are stated at the lower of cost and net realisable value with weighted average cost being the main basis for cost. For work-in-progress and manufactured inventories, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads. Cost of materials comprises the original cost of purchase plus the cost of bringing these inventories to their present locations and condition.

(j) Trade and other receivables

Trade and other receivables and amount due from subsidiaries are stated at cost less allowance for doubtful debts.

(k) Amount due from contract customers

Amount due from contract customers on construction contracts is stated at cost plus attributable profits less foreseeable losses and less progress billings. Cost includes all direct construction costs and other related costs. Where progress billings exceed the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net credit balance on all such contracts is shown in trade and other payables as amount due to contract customers.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(m) Liabilities

Borrowings, trade and other payables and amount due to subsidiaries are stated at cost.

(n) Impairment

The carrying amount of assets, other than inventories, assets arising from construction contracts, property development costs, deferred tax assets and financial assets (the financial assets in this context do not include investments in subsidiaries and associates), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Impairment (cont'd)

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

(o) Capitalisation of borrowing costs

Borrowing costs incurred on capital work-in-progress, property development costs and land held for property development are capitalised when activities that are necessary to prepare the land for its intended sales are in progress. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of financing a specific capital work-in-progress, property development costs and land held for property development, in which case the actual borrowing cost incurred on that borrowing less any investment income on the temporary investment of that borrowing will be capitalised.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

(p) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

(ii) Financial statements of foreign operations

The Group's foreign operations are considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at historical rates of exchange. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised in the income statement.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows:

SGD1	RM2.25	(2004 :	SGD1	RM2.21)
AUD1	RM2.90	(2004 :	AUD1	RM2.61)
THB1	RM0.09	(2004 :	NIL)	

(r) Revenue

(i) Goods sold and services rendered

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from services rendered consists of the following:

(a) Hotel and golf course

Revenue from the provision of rooms, food and beverage sales from hotel operations as well as hotel management and consultancy services, green fees and buggy rental are recognised when services are rendered.

(b) Property investment and property management services

Revenue from property investment and the provision of property management services are recognised based on the rental received and receivable from property and fees chargeable to customers during the year.

(c) Management and operation of recreational club

50% of the purchase price representing enrolment fees from members joining the club are recognised as revenue upon signing of the membership agreements. The remaining 50% of the purchase price representing the advance annual fee is treated as deferred membership fees which is recognised over the membership period from date of the membership agreement until its expiry on 17 September 2016.

Subscription fees are recognised as revenue based on fees chargeable to members during the year.

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue (cont'd)

(i) Goods sold and services rendered (cont'd)

(d) Management and operation of timeshare membership scheme

70% of the purchase price representing enrolment fees from members joining the vacation club are recognised as revenue upon signing of the membership agreements. The remaining 30% of the purchase price representing the advance annual fee is treated as deferred membership fees which is recognised over the membership period of either 29 years or 30 years.

Maintenance fees are recognised as revenue based on fees chargeable to members during the year.

(ii) Construction contracts

Revenue from fixed price construction contracts is recognised on the percentage of completion method, measured by reference to surveys of work performed.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

An expected loss on a contract is recognised immediately in the income statement.

(iii) Property development

Revenue from property development activities is recognised based on the stage of completion measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a property development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised immediately in the income statement.

(iv) Developed properties held for sale

Revenue from the sales of developed properties held for sale is recognised upon signing of sale and purchase agreement and when its income can be reasonably ascertained.

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

(vi) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made.

(ii) Financing costs

All interest and other costs incurred in connection with borrowings, other than that capitalised in accordance with Note 1(o), are expensed as incurred. The interest component of hire purchase liabilities, if any, is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

(t) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by the employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

Obligations for contributions to defined contribution plan are recognised as an expense in the income statement as incurred.

(iii) Equity and equity-related compensation benefits

The share option programme of the Company allows eligible employees of the Group and the Company to acquire shares in the Company. When the options are exercised, equity is increased by the amount of the proceeds received.

2. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold hotel properties RM'000	Leasehold hotel properties RM'000	Freehold golf course RM'000	Freehold land RM'000	Long term leasehold land RM'000	Building and improvements RM'000	Jetty and infrastructure RM'000	Sub-total carried forward RM'000
Cost/Valuation								
At 1 July 2004	220,020	91,800	23,257	25,541	6,265	39,059	29,318	435,260
Additions	27	-	120	3,929	-	1,986	209	6,271
Disposals	-	-	-	(17)	-	-	-	(17)
Transfers	-	-	-	-	-	-	-	-
Write off	(128)	-	-	-	-	-	-	(128)
Adjustments**	-	-	(2,930)	-	-	-	-	(2,930)
At 30 June 2005	219,919	91,800	20,447	29,453	6,265	41,045	29,527	438,456

** Included in the adjustments are compensation received of RM2,087,000 and reversal of construction cost of RM843,000 upon settlement of civil suit.

Notes to the Financial Statements

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold hotel properties RM'000	Leasehold hotel properties RM'000	Freehold golf course RM'000	Freehold land RM'000	Long term leasehold land RM'000	Building and improvements RM'000	Jetty and infrastructure RM'000	Sub-total carried forward RM'000
Representing items at:								
Cost	-	-	20,447	29,453	6,265	41,045	29,527	126,737
Directors' valuation -2004	219,919	91,800	-	-	-	-	-	311,719
At 30 June 2005	219,919	91,800	20,447	29,453	6,265	41,045	29,527	438,456
Depreciation and impairment loss								
At 1 July 2004	-	-	-	-	557	3,733	2,539	6,829
Charge for the year	-	1,020	-	-	117	924	605	2,666
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-	-
Impairment loss for the year	-	18,320	-	-	-	-	-	18,320
At 30 June 2005	-	19,340	-	-	674	4,657	3,144	27,815
Net book value								
At 30 June 2005	219,919	72,460	20,447	29,453	5,591	36,388	26,383	410,641
At 30 June 2004	220,020	91,800	23,257	25,541	5,708	35,326	26,779	428,431
Depreciation charge for the year ended 30 June 2004	-	876	-	-	72	838	598	2,384

Group	Sub-total brought forward RM'000	Plant, machinery and electrical installation RM'000	Motor vehicles and boats RM'000	Hotel furniture, fittings and equipment RM'000	Furniture, fittings and equipment RM'000	Computers RM'000	Capital work-in-progress RM'000	Total RM'000
Cost/Valuation								
At 1 July 2004	435,260	58,421	6,620	45,398	10,809	3,432	209	560,149
Additions	6,271	457	3,157	3,867	3,119	393	-	17,264
Disposals	(17)	(677)	(1,563)	(119)	(16)	(28)	-	(2,420)
Transfers	-	-	-	-	5	177	(182)	-
Write off	(128)	-	(1)	(367)	(6)	(51)	-	(553)
Adjustments	(2,930)	-	-	-	-	-	-	(2,930)
At 30 June 2005	438,456	58,201	8,213	48,779	13,911	3,923	27	571,510

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Sub-total brought forward RM'000	Plant, machinery and electrical installation RM'000	Motor vehicles and boats RM'000	Hotel furniture, fittings and equipment RM'000	Furniture, fittings and equipment RM'000	Computers RM'000	Capital work-in-progress RM'000	Total RM'000
Representing items at:								
Cost	126,737	58,201	8,213	48,779	13,911	3,923	27	259,791
Directors' valuation -2004	311,719	-	-	-	-	-	-	311,719
At 30 June 2005	438,456	58,201	8,213	48,779	13,911	3,923	27	571,510
Depreciation and impairment loss								
At 1 July 2004	6,829	35,383	4,369	27,813	5,657	2,481	-	82,532
Charge for the year	2,666	5,030	1,057	3,406	1,411	411	-	13,981
Disposals	-	(587)	(1,235)	(105)	(12)	(23)	-	(1,962)
Transfers	-	-	-	-	1	(1)	-	-
Write off	-	-	(1)	(125)	(2)	(44)	-	(172)
Impairment loss for the year	18,320	-	-	-	-	-	-	18,320
At 30 June 2005	27,815	39,826	4,190	30,989	7,055	2,824	-	112,699
Net book value								
At 30 June 2005	410,641	18,375	4,023	17,790	6,856	1,099	27	458,811
At 30 June 2004	428,431	23,038	2,251	17,585	5,152	951	209	477,617
Depreciation charge for the year ended 30 June 2004	2,384	5,595	605	3,517	1,185	387	-	13,673

Company	Building RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Cost					
At 1 July 2004	2,338	798	156	182	3,474
Additions	-	19	259	-	278
Disposals	-	(10)	-	-	(10)
Transfer	-	182	-	(182)	-
At 30 June 2005	2,338	989	415	-	3,742
Depreciation					
At 1 July 2004	309	710	156	-	1,175
Charge for the year	25	58	48	-	131
Disposals	-	(9)	-	-	(9)
At 30 June 2005	334	759	204	-	1,297
Net book value					
At 30 June 2005	2,004	230	211	-	2,445
At 30 June 2004	2,029	88	-	182	2,299
Depreciation charge for the year ended 30 June 2004	26	23	-	-	49

Notes to the Financial Statements

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Title deeds to the freehold land of a subsidiary and leasehold land of certain subsidiaries with a net book value of RM5,167,000 (2004 - RM5,167,000) and RM614,000 (2004 - RM626,000) respectively are in the process of being registered in the name of the subsidiaries.

Revaluation

Hotel properties are stated at Directors' valuation based on professional valuations made by Mr. S. Gopala Krishnan, a registered valuer in Azmi & Co. Sdn. Bhd., Mr. Long Tian Chek, a registered valuer in Henry Butcher Malaysia Sdn. Bhd. and En. Zaharin Bin Ahmad Zamani, a registered valuer in Knight Frank Ooi & Zaharin Sdn. Bhd., on the open market basis and cost and income approaches conducted in June 2004.

Had the hotel properties been carried at historical cost less accumulated depreciation, the carrying amount of the revalued hotel properties that would have been included in the financial statements at the end of the financial year would be RM213,324,000 (2004 - RM214,324,000).

Security

The building of the Company with net book value of RM2,004,000 (2004 - RM2,030,000) is pledged to a licensed financial institution to secure banking facilities granted to the Company.

The freehold and leasehold land and buildings of certain subsidiaries with net book value of RM38,959,000 (2004 - RM43,897,000) are pledged to licensed financial institutions to secure banking facilities granted to certain subsidiaries.

The freehold and leasehold land with buildings classified under hotel properties of certain subsidiaries with a net book value of RM219,919,000 (2004 - RM220,020,000) are pledged to licensed financial institutions to secure banking facilities granted to the Company and certain subsidiaries.

Other property, plant and equipment of a subsidiary with a net book value of RM6,607,000 (2004 - RM7,550,000) has been pledged to a licensed financial institution to secure banking facilities granted to the subsidiary.

Impairment loss

During the year, the carrying amount of leasehold hotel properties was written down by RM18,320,000 to its recoverable amount.

3. INVESTMENTS IN SUBSIDIARIES

	Company	
	2005 RM'000	2004 RM'000
Unquoted ordinary shares - At cost	202,112	198,172
Unquoted redeemable preference shares - At cost	245,400	-
Less: Impairment loss	(21,655)	(11,655)
	425,857	186,517

Details of the subsidiaries are shown in Note 31.

4. INVESTMENTS IN ASSOCIATES

	Group	
	2005 RM'000	2004 RM'000
Unquoted shares		
- in Malaysia - At cost	2	2
- in overseas - At cost	23,919	-
Share of post-acquisition profit	1,291	-*
Exchange translation reserves	5,075	-
	30,287	2
Represented by:		
Share of net assets	52,292	2
Negative goodwill	(22,005)	-
	30,287	2

* Denotes amount less than RM1,000

The associates of the Group are as follows:

Name of company	Principal activities	Country of incorporation	Effective ownership interest	
			2005 %	2004 %
Sun-PJDC Sdn. Bhd.*	Securing and carrying out construction contracts	Malaysia	50.00	50.00
Equity & Property Investment Corporation Limited*	Hotel ownership, property investment, property development and equity investment	Australia	27.40	23.54

* The associates were equity accounted using management financial statements.

During the year, unquoted shares in overseas has been reclassified from other investments to investments in associates as in the opinion of the Directors, the Group is able to exercise significant influence over the associate's financial and operating policies.

Notes to the Financial Statements

5. OTHER INVESTMENTS

	Group	
	2005 RM'000	2004 RM'000
Long term - At cost		
Shares quoted:		
- in Malaysia	58,920	52,717
- in overseas	-	1,857
Warrants quoted in Malaysia	482	482
Irredeemable convertible unsecured loan stocks ("ICULS") quoted in Malaysia	-	5,735
Other investments quoted in Malaysia	2,368	2,302
	61,770	63,093
Less: Allowance for diminution in value		
Shares quoted in Malaysia	(8,047)	(8,047)
Shares quoted in overseas	-	(1,857)
Other investments quoted in Malaysia	(1,135)	(1,135)
	(9,182)	(11,039)
	52,588	52,054
Shares unquoted:		
- in Malaysia	34	34
- in overseas	-	23,919
	34	23,953
	52,622	76,007

The market value of the quoted investments is shown in Note 30.

Certain quoted investments in Malaysia with a carrying value of RM51,355,000 (2004 - RM36,884,000) have been pledged to licensed financial institutions as security for banking facilities granted to the Company.

Included in other investments are quoted investments in Malaysia in which certain Directors and close members of their families have interests.

During the year, unquoted shares in overseas has been reclassified from other investments to investments in associates as in the opinion of the Directors, the Group is able to exercise significant influence over the associate's financial and operating policies.

During the year, the Group has converted its quoted ICULS into new shares quoted in Malaysia on maturity date on the basis of one new share for every RM2.28 nominal value of ICULS.

6. LAND HELD FOR PROPERTY DEVELOPMENT

	2005 RM'000	Group 2004 RM'000
At cost		
At beginning of year	153,003	171,295
Additions	6,637	5,816
Transfer to property development costs	(16,823)	(24,108)
At end of year	142,817	153,003
Representing:		
Land	108,570	118,390
Land development costs	34,247	34,613
	142,817	153,003

Land held for property development incurred during the financial year include:

	2005 RM'000	Group 2004 RM'000
Interest expense	1,014	-

Interest is capitalised in land held for property development at rates ranging from 2.39% to 7.25% (2004 – 6.34% per annum).

Certain land held for property development with a carrying value of RM89,764,000 (2004 – RM99,402,000) have been pledged to a licensed bank for banking facilities granted to the Company and certain subsidiaries.

7. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

Amounts due from subsidiaries are in respect of advances, which are unsecured and interest free except for RM125,387,000 (2004 – RM362,431,000) which is subject to interest at rates ranging from 0.30% to 5.00% (2004 – 0.30% to 6.60%) per annum.

Amounts due to subsidiaries are in respect of advances, which are unsecured and interest free except for RM15,052,000 (2004 – RM3,676,000) which is subject to interest at rates ranging from 4.80% to 5.00% (2004 – 5.00%) per annum.

Amounts due from/(to) subsidiaries are not repayable during the next twelve months except in so far as such repayment will not adversely affect the ability of the respective companies to meet liabilities when due.

8. INTANGIBLE ASSETS

	2005 RM'000	Group 2004 RM'000
Goodwill arising on consolidation		
Cost		
Opening balance	13,147	12,377
Additions	-	770
Closing balance	13,147	13,147
Amortisation		
Opening balance	5,238	4,591
Amortisation charge for the year	647	647
Closing balance	5,885	5,238
Net book value	7,262	7,909

Notes to the Financial Statements

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current				
Trade receivables	124,101	102,924	-	-
Accrued billings	13,670	20,761	-	-
Amount due from contract customers	21,513	16,925	-	-
Other receivables, deposits and prepayments	17,751	15,191	269	318
	177,035	155,801	269	318
Non-current				
Trade receivables	11,350	9,692	-	-

Trade receivables

Trade receivables of the Group include membership fees amounting to RM16,170,000 (2004 - RM27,802,000) which are receivable from customers over 24 monthly instalments.

Included in trade receivables of the Group are retention sums receivable amounting to RM10,635,000 (2004 - RM7,568,000).

Amount due from contract customers

	Group	
	2005 RM'000	2004 RM'000
Aggregate costs incurred to date	531,364	377,772
Add: Attributable profits	40,024	27,585
	571,388	405,357
Less: Progress billings	(569,286)	(402,081)
	2,102	3,276
Amount due to contract customers reclassified (Note 13)	19,411	13,649
	21,513	16,925

Other receivables, deposits and prepayments

Included in other receivables, deposits and prepayments of the Group are advances to and payments made on behalf of subcontractors amounting to RM2,603,000 (2004 - RM2,497,000). The amounts are unsecured, interest free and have no fixed terms of repayment.

10. INVENTORIES

	Group	
	2005 RM'000	2004 RM'000
At cost		
Developed properties held for sale	11,127	13,082
Raw materials	6,111	4,663
Work-in-progress	4,335	2,473
Manufactured inventories	8,412	10,782
Spares and consumables	1,814	1,722
	31,799	32,722

11. PROPERTY DEVELOPMENT COSTS

	Group	
	2005 RM'000	2004 RM'000
At beginning of year		
Land	47,882	30,976
Development costs	247,079	212,874
Accumulated costs charged to income statement	(201,126)	(161,574)
	93,835	82,276

Transfer from land held for property development		
- Land	11,751	19,145
- Development costs	5,072	4,963
Development costs incurred during the year	73,802	86,591
Reversal of accrued development costs	(808)	(698)
Cost charged to income statement for the year	(77,715)	(98,116)
	12,102	11,885

Transfer to developed properties held for sale		
- Land	-	(16)
- Development costs	-	(310)
	-	(326)

Completed developments		
Reversal of land and development costs		
- Land	-	(2,223)
- Development costs	-	(56,341)
Reversal of cost charged to income statement	-	58,564
	-	-

	105,937	93,835

At end of year		
Represented by:		
Land	59,633	47,882
Development costs	325,145	247,079
Accumulated costs charged to income statement	(278,841)	(201,126)
	105,937	93,835

Property development costs incurred during the financial year include:

	Group	
	2005 RM'000	2004 RM'000
Interest expense	3,167	2,819
Rental expense	-	100
	-	-

Interest is capitalised in property development costs at rates ranging from 2.39% to 7.25% (2004 – 6.34% per annum).

The portion of property development costs in respect of which significant development work has been undertaken and which is expected to be completed within the normal operating cycle of two to three years is considered as a current asset.

Certain land under development with a carrying value of RM47,769,000 (2004 – RM80,997,000) have been pledged to a licensed bank for banking facilities granted to certain subsidiaries.

Notes to the Financial Statements

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash and bank balances	30,730	35,864	75	134
Fixed deposits placed with licensed banks	603	278	-	-
	31,333	36,142	75	134

The Group's cash and bank balances include RM23,147,000 (2004 - RM28,396,000), the utilisation of which is subject to the Housing Developers (Housing Development Account) Regulations 2002 and included in fixed deposits is RM177,000 (2004 - Nil) pledged for bank guarantee facilities granted to a subsidiary during the financial year.

13. TRADE AND OTHER PAYABLES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current				
Trade payables	63,353	61,361	-	-
Progress billings	16,155	11,013	-	-
Amount due to contract customers (Note 9)	19,411	13,649	-	-
Other payables and accrued expenses	22,045	20,274	791	1,464
Deferred income	1,073	759	-	-
	122,037	107,056	791	1,464
Non-current				
Deferred income	23,630	19,351	-	-

Trade payables

Trade payables of the Group include retention sums payable of RM12,395,000 (2004 - RM10,419,000).

Other payables and accrued expenses

Other payables and accrued expenses include enrollment fees payable to Resort Condominiums International LCC ("RCI") of RM2,941,000 (2004 - RM2,316,000) for exchange facility granted to timeshare members to exchange their holiday accommodation through the RCI Exchange System.

Deferred income

Deferred income consists of deferred membership fees representing membership fees received and receivable from members which are recognised over the membership period.

14. BORROWINGS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current				
Term loans - secured	22,107	43,105	11,250	5,625
Overdrafts - secured	6,446	22	304	-
- unsecured	4,614	4,607	-	-
Bankers' acceptances - secured	1,462	2,906	-	-
- unsecured	18,909	17,988	-	-
Revolving credits - secured	41,000	39,600	36,000	34,600
- unsecured	12,500	12,500	-	-
	107,038	120,728	47,554	40,225
Non-current				
Term loans - secured	85,292	78,922	43,125	39,375
	192,330	199,650	90,679	79,600

Terms and debt repayment schedule

	Total RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Group				
Secured term loans - variable at 4.80% to 7.50% (2004 - 6.60% to 7.50%)	107,399	22,107	28,894	56,398
Secured overdrafts - variable at 7.00% to 7.50% (2004 - 7.00% to 7.50%)	6,446	6,446	-	-
Unsecured overdrafts - variable at 7.25% to 8.00% (2004 - 7.50% to 8.00%)	4,614	4,614	-	-
Secured bankers' acceptances - variable at 3.03% (2004 - 3.15% to 4.70%)	1,462	1,462	-	-
Unsecured bankers' acceptances - variable at 3.05% to 3.75% (2004 - 2.89% to 3.90%)	18,909	18,909	-	-
Secured revolving credits - variable at 4.60% to 6.06% (2004 - 4.65% to 7.70%)	41,000	41,000	-	-
Unsecured revolving credits - variable at 4.75% to 4.80% (2004 - 4.80% to 5.50%)	12,500	12,500	-	-
	192,330	107,038	28,894	56,398

Notes to the Financial Statements

14. BORROWINGS (CONT'D)

	Total RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Company				
Secured revolving credits – variable at 4.60% to 6.06% (2004 – 5.05% to 7.70%)	36,000	36,000	-	-
Secured term loan – variable at 4.80% to 6.60% (2004 – 6.60%)	54,375	11,250	13,860	29,265
Secured overdrafts – variable at 7.50% (2004 – Nil)	304	304	-	-
	90,679	47,554	13,860	29,265

Security

The Company's secured bank borrowings are secured by way of charges over the Company's building and certain subsidiaries' hotel properties (Note 2), quoted investments (Note 5) and land held for property development (Note 6).

The secured bank borrowings of subsidiaries are secured by way of charges over certain subsidiaries' freehold and leasehold land and buildings, hotel properties and other property, plant and equipment (Note 2), land held for property development (Note 6) and property development costs (Note 11).

Significant covenants of term loans

In connection with the term loan agreements, the Company and certain subsidiaries have agreed to certain significant covenants, which include the following:

- not to amend the Memorandum and Articles of Association in a manner inconsistent with the provisions of the lenders' Letters of Offer;
- not to sell, lease or transfer all or any substantial part of its assets;
- not to allow any change in its existing shareholders or their shareholdings and/or undertake a scheme or merger or amalgamation;
- not to decrease the authorised or issued share capital; and
- not to enter into any partnership, profit-sharing or royalty agreements whereby income or profits may be shared with other persons; subject to the consent of the lenders.

15. SHARE CAPITAL

	Group and Company	
	2005 RM'000	2004 RM'000
Authorised Ordinary shares of RM1.00 each	1,000,000	1,000,000
Issued and fully paid Ordinary shares of RM1.00 each	456,132	456,132

16. RESERVES**Retained profits**

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all its retained profits at 30 June 2005 if paid out as dividends.

17. DEFERRED TAX

The amounts, determined after appropriate offsetting, are as follows:

	Group	
	2005 RM'000	2004 RM'000
Deferred tax liabilities	9,980	10,098
Deferred tax assets	(2,781)	(3,167)

Deferred tax liabilities and assets are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

Recognised deferred tax liabilities are in respect of the following items:

	Group	
	2005 RM'000	2004 RM'000
Property, plant and equipment		
- capital allowances in excess of depreciation	4,002	3,224
- revaluation	3,326	4,242
Property development costs	2,988	2,988
Unabsorbed capital allowances	(7)	-
Unutilised tax losses	(11)	(13)
Allowances	(318)	(343)
	9,980	10,098

Recognised deferred tax assets are in respect of the following items:

Property, plant and equipment		
- depreciation in excess of capital allowances	(3)	-
Deductible temporary differences	(2,778)	(3,167)
	(2,781)	(3,167)

Notes to the Financial Statements

17. DEFERRED TAX (CONT'D)

No deferred tax has been recognised in the financial statements for the following items:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Taxable temporary differences	(66,732)	(63,712)	(116)	(38)
Unabsorbed capital allowances	90,813	89,248	660	519
Unutilised tax losses	43,867	44,710	-	-
Allowances	193	124	-	-
Deductible temporary differences	19,273	19,794	-	-
	87,414	90,164	544	481

The unutilised tax losses, unabsorbed capital allowances and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

The Group has tax losses carried forward of RM43,906,000 (2004 – RM44,756,000) which give rise to the recognised and unrecognised deferred tax assets in respect of unutilised tax losses above.

Subject to agreement by the Inland Revenue Board, the Group has unutilised reinvestment allowances and unutilised investment tax allowances of RM16,444,000 (2004 - RM15,122,000) and RM142,398,000 (2004 - RM142,398,000) respectively.

18. OPERATING PROFIT

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue - contract revenue	104,497	52,711	-	-
- sale of goods	115,876	95,537	-	-
- sale of properties	117,025	131,833	-	-
- services	71,047	71,885	381	279
- dividends	1,411	2,330	38,000	24,400
	409,856	354,296	38,381	24,679
Contract costs recognised as an expense	(91,313)	(40,487)	-	-
Cost of sales	(96,591)	(74,773)	-	-
Cost of properties sold	(79,732)	(100,935)	-	-
Cost of services	(37,033)	(37,854)	(2,189)	(1,982)
	(304,669)	(254,049)	(2,189)	(1,982)
Gross profit	105,187	100,247	36,192	22,697
Administration expenses	(15,843)	(15,149)	(553)	(431)
Other operating expenses	(51,954)	(50,901)	(10,507)	(263)
Other operating income	4,253	5,365	96	140
Operating profit	41,643	39,562	25,228	22,143

18. OPERATING PROFIT (CONT'D)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Operating profit is arrived at after crediting:				
Allowance for doubtful debts written back	865	174	-	-
Bad debts recovered	-	376	-	-
Dividend income from:				
Investments quoted in Malaysia	1,359	2,304	-	-
Unquoted subsidiaries - gross	-	-	28,000	24,400
- tax exempt	-	-	10,000	-
Unquoted investments	52	26	-	-
Gain on disposal of long term quoted investments	86	2,460	-	-
Gain on disposal of property, plant and equipment	538	270	1	-
Rental income on land and buildings	1,443	1,219	188	206
Realised gain on foreign exchange	38	195	-	-
and after charging:				
Allowance for doubtful debts	141	2,968	-	-
Allowance for diminution of investments				
- quoted	-	1,890	-	-
- unquoted	-	-	10,000	-
Amortisation of goodwill on consolidation	647	647	-	-
Auditors' remuneration				
Holding company auditors				
- current year	226	220	32	30
- under provision in prior years	17	1	2	-
- special audit	-	23	-	-
Other auditors	18	10	-	-
Bad debts written off	39	-	-	-
Directors' remuneration				
Salaries and other emoluments				
- Directors of the Company	2,221	1,885	818	755
- Directors of the subsidiaries	778	639	-	-
Directors' fees				
- Directors of the Company	62	62	62	62
- Directors of the subsidiaries	-	27	-	-
Depreciation	13,981	13,673	131	49
Liquidated and ascertained damages	1,358	-	-	-
Loss on disposal of property, plant and equipment	1	-	-	-
Property, plant and equipment written off	381	379	-	-
Rental expense on land and buildings	1,323	750	19	16
Rental of equipment	78	105	-	-
Replacement cost for operating equipment	364	410	-	-
Research and development expenses	233	147	-	-
Realised loss on foreign exchange	42	16	-	-

The estimated monetary value of Directors' benefits-in-kind of the Group and Company is RM57,000 (2004 - RM44,000) and RM17,000 (2004 - RM17,000) respectively.

Notes to the Financial Statements

19. EMPLOYEE INFORMATION

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Staff costs	40,007	39,293	1,979	1,756

The number of employees of the Group and of the Company (including Directors) at the end of the year was 1,679 (2004 - 1,684) and 24 (2004 - 21) respectively.

Staff costs of the Group and the Company include contributions to the Employees' Provident Fund of RM3,916,000 (2004 - RM3,602,000) and RM206,000 (2004 - RM172,000) respectively.

Equity compensation benefits**Share option plan**

The Group offered vested share options over ordinary shares to eligible employees and full time Executive Directors who had been confirmed in service as employees of the Group for at least twelve months prior to the date of the offer. Movements in the number of share options held by employees are as follows:

	Group and Company	
	2005 '000	2004 '000
Outstanding at beginning of year	17,172	18,976
Lapsed/Expired	(17,172)	(1,804)
Outstanding at end of year	-	17,172

The options expired on 12 August 2004.

20. FINANCING COSTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest payable				
Bank overdrafts	466	1,222	104	463
Bankers' acceptances	765	695	-	-
Revolving credits	2,092	2,499	1,466	2,923
Subsidiaries	-	-	881	176
Term loans	3,722	6,493	3,504	2,112
Other finance charges	1,398	989	516	272
	8,443	11,898	6,471	5,946

21. INTEREST INCOME

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest receivable				
Fixed deposits	13	22	-	2
Housing development account	627	330	-	-
Loan stocks	549	550	-	-
Subsidiaries	-	-	3,508	4,782
Others	492	457	-	-
	1,681	1,359	3,508	4,784

22. TAX EXPENSE

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current tax expense				
Malaysian - current year	7,635	7,726	6,481	6,670
- prior year	(216)	179	(157)	169
	7,419	7,905	6,324	6,839
Deferred tax expense				
Origination and reversal of temporary differences	1,149	859	-	-
Under provision in prior year	35	-	-	-
	8,603	8,764	6,324	6,839

Reconciliation of effective tax expense

Profit before taxation	36,172	29,023	22,265	20,981
Income tax using Malaysian tax rate	10,128	8,126	6,234	5,875
Non-deductible expenses	827	2,680	3,029	795
Non-taxable income	(1,128)	(1,156)	-	-
Tax exempt income	-	-	(2,800)	-
Deferred tax assets not recognised during the year	1,399	526	18	-
Utilisation of previously unrecognised deferred tax assets	(2,169)	(1,265)	-	-
Effect of different tax rate for chargeable income up to RM500,000	(273)	(326)	-	-
	8,784	8,585	6,481	6,670
(Over)/Under provision in prior years	(181)	179	(157)	169
Tax expense	8,603	8,764	6,324	6,839

Deferred tax recognised directly in equity

	Group	
	2005 RM'000	2004 RM'000
Relating to revaluation deficit recognised directly in equity	-	(511)
Relating to impairment loss on hotel properties recognised directly in equity	(916)	-

Notes to the Financial Statements

23. EARNINGS PER ORDINARY SHARE - GROUP

Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders of RM27,569,000 (2004 - net profit of RM19,504,000) and the number of ordinary shares outstanding during the year of 456,132,000 (2004 - 456,132,000).

The diluted earnings per share figures are not shown as the conversion price of warrants is higher than the Company's share price at the balance sheet date.

24. DIVIDENDS

	Group and Company	
	2005 RM'000	2004 RM'000
Ordinary Interim paid: 2% per share less tax at 28% (2004 - NIL)	6,568	-
Final paid: 2004 - 4% per share less tax at 28% (2003 - 1% per share less tax at 28%)	13,137	3,284
	19,705	3,284

The Directors proposed a final dividend of 2% (2004: first and final dividend - 4%) less tax at 28% totalling RM6,568,000 (2004 - RM13,137,000) for the current financial year. The proposed final dividend has not been accounted for in the financial statements.

The dividends per ordinary share as disclosed in the income statement takes into account the final proposed dividends for the relevant financial years.

25. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business segments, which is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined based on negotiated commercial terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing borrowings and financing costs, and corporate assets and expenses.

Business segments

The Group comprises the following main business segments:

Construction	Securing and carrying out construction contracts.
Properties	Property development, provision of property management services, project management services and management and operation of recreational club.
Manufacturing and trading	The manufacture and sale of roofing tiles, concrete wall panels, cables and wires and trading of building materials.

25. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

Hotel and leisure	Hotel and restaurant business, hotel management and consultancy services, golf course operations and operation and management of timeshare membership scheme.
Investment holding and trading	Holding and trading of quoted and unquoted shares, warrants and other investments.
Others	Property investment, software consultancy, product development and maintenance.

Geographical segments

No geographical segment information is presented as the Group's operation and the location of the customers are principally in Malaysia.

Business Segments	Construction RM'000	Properties RM'000	Manufacturing and trading RM'000	Hotel and leisure RM'000	Investment holding and trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
2005								
Revenue from external customers	104,497	118,311	115,869	69,590	1,523	66	-	409,856
Inter-segment revenue	72,397	205	27,163	-	261	65	(100,091)	-
Total revenue	176,894	118,516	143,032	69,590	1,784	131	(100,091)	409,856
Segment result	8,534	22,172	9,359	3,772	(1,501)	(159)	(534)	41,643
Financing costs								(8,443)
Interest income								1,681
Share of profit of associates								1,291
Profit before taxation								36,172
Tax expense								(8,603)
Net profit for the year								27,569
2004								
Revenue from external customers	52,711	132,211	95,538	69,474	2,422	1,940	-	354,296
Inter-segment revenue	74,618	25	27,304	-	179	913	(103,039)	-
Total revenue	127,329	132,236	122,842	69,474	2,601	2,853	(103,039)	354,296
Segment result	8,289	18,260	9,581	3,966	436	(146)	(824)	39,562
Financing costs								(11,898)
Interest income								1,359
Profit before taxation								29,023
Tax expense								(8,764)
Minority interests								(755)
Net profit for the year								19,504

Notes to the Financial Statements

25. SEGMENTAL INFORMATION (CONT'D)

	Construction RM'000	Properties RM'000	Manufacturing and trading RM'000	Hotel and leisure RM'000	Investment holding and trading RM'000	Others RM'000	Consolidated RM'000
2005							
Segment assets	79,655	342,712	108,289	419,341	85,832	12,821	1,048,650
Unallocated assets							<u>11,032</u>
Total assets							<u>1,059,682</u>
Segment liabilities	52,876	26,495	19,567	45,835	846	48	145,667
Unallocated liabilities							<u>207,574</u>
Total liabilities							<u>353,241</u>
Capital expenditure	1,379	3,040	1,115	11,447	278	5	17,264
Depreciation and amortisation of property, plant and equipment	1,030	798	6,003	6,003	131	16	13,981
Amortisation of goodwill	-	-	413	234	-	-	647
Non-cash expenses other than depreciation and amortisation	1	4	-	376	-	-	381
2004							
Segment assets	50,086	337,367	99,478	448,812	78,787	27,922	1,042,452
Unallocated assets							<u>9,790</u>
Total assets							<u>1,052,242</u>
Segment liabilities	36,435	33,614	12,998	40,580	1,536	1,244	126,407
Unallocated liabilities							<u>215,179</u>
Total liabilities							<u>341,586</u>
Capital expenditure	1,500	471	1,682	4,948	123	320	9,044
Depreciation and amortisation of property, plant and equipment	951	180	6,324	5,699	49	470	13,673
Amortisation of goodwill	-	-	320	234	-	93	647
Non-cash expenses other than depreciation and amortisation	-	1	120	256	-	2	379

26. CONTINGENT LIABILITIES

	Company	
	2005 RM'000	2004 RM'000
Corporate guarantees given to financial institutions relating to borrowings of subsidiaries	247,823	246,586
Corporate guarantees given to third parties relating to credit facilities granted to subsidiaries	17,180	9,880
	265,003	256,466

27. COMMITMENTS

	Group	
	2005 RM'000	2004 RM'000
Property, plant and equipment Contracted but not provided for in the financial statements	22	73
Land held for development Contracted but not provided for in the financial statements	17,100	-
	17,122	73

28. OPERATING LEASES***Leases as lessee***

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Less than one year	1,109	1,153	17	14
Between one and five years	728	1,770	10	17
	1,837	2,923	27	31

The Group and Company leases a number of office lots under operating leases. The leases typically run for an initial period of three years, with an option to renew the leases. None of the leases include contingent rentals.

Notes to the Financial Statements

29. RELATED PARTIES***Identity of related parties***

The Company has a controlling related party relationship with its subsidiaries.

Significant transactions with companies in which certain Directors and close members of their families have interests are as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000

Transactions

With companies in which Wong Ah Chiew and Khor Chai Moi, Directors of the Company, have interests:

Dindings Construction Sdn. Bhd.				
Sale of building materials	2,210	3,993	-	-
Training fees receivable	-	20	-	-
Purchase of property, plant and equipment	-	493	-	-
DC Services Sdn. Bhd.				
Insurance premium payable	1,356	1,045	13	4
Dindings Risk Management Services Sdn. Bhd.				
Insurance premium payable	269	558	7	16
Willowglen (Malaysia) Sdn. Bhd.				
Rental payable	-	28	-	-
Progress claim payable	469	1,026	-	-
Training fees receivable	-	6	-	-

With companies in which the brothers of Wong Ah Chiew and Wong Chong Shee, and the spouse of Khor Chai Moi, Directors of the Company, have interests:

OSK Properties Sdn. Bhd.				
Construction cost billed	10,713	15,830	-	-
Project management fees billed	262	1,200	-	-
OSK Properties (Seremban) Sdn. Bhd.				
Project management fees billed	56	-	-	-
OSK Realty Sdn. Bhd.				
Rental of premises payable	-	915	-	5
Ke-Zan Holdings Berhad				
Rental of premises payable	847	-	10	-

29. RELATED PARTIES (CONT'D)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000

Transactions (cont'd)

OSK Securities Berhad				
Room revenue receivable	80	22	-	-
Rental receivable	25	24	-	-
Epic Hotels Pty. Ltd.				
Hotel management fees billed	1,636	1,379	-	-
Hotel room charges payable	50	77	-	-

With company in which the son of Wong Ah Chiew, Director of the Company, has interest:

Cyanix Corporation Sdn. Bhd.				
Purchase of property, plant and equipment	151	173	-	-

The Directors are of the opinion that the above transactions are undertaken on arm's length basis and on normal commercial terms, which are on terms not more favorable to the related parties than those generally available to the public.

Balances in respect of non-trade transactions with related parties are not disclosed as the balances are insignificant to the financial statements of the Group and of the Company.

Significant transactions with subsidiaries other than those disclosed elsewhere in the financial statements are as follows:

	Company	
	2005 RM'000	2004 RM'000
Facilities charges payable	24	11
Management fees receivable	193	73
Rental receivable	76	114
Rental payable	9	11
Service charge for rental receivable	51	76

The above transactions with subsidiaries have been established under negotiated commercial terms.

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

Exposure to credit, interest rate, foreign currency and liquidity risks arises in the normal course of the Group and Company's business. The nature of these risks and the Group and the Company's approaches in managing the risks are summarised below:

Credit risk

The Group and the Company's primary exposure to credit risk arise through trade and other receivables. Exposure to credit risk is monitored by management on an ongoing basis.

Other financial assets of the Group and the Company with exposure to credit risk include cash and fixed deposits, which are placed with financial institutions with good standing.

At balance sheet date, the Company has significant exposures to amounts due from subsidiaries but there were no significant concentrations of credit risk for the Group. The maximum exposure of credit risk is represented by the carrying amount of each financial asset.

Interest rate risk

The Group and the Company's primary interest rate risk relates to interest-earning deposits and amounts due from subsidiaries and interest-bearing borrowings from financial institution. There is no formal hedging policy with respect to interest rate exposure.

Foreign currency risk

The Group and the Company incur foreign currency risk on transactions that are denominated in currencies other than functional currencies of the operating entities.

It is not the Group and the Company's policies to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency as transactions denominated in foreign currency are minimal.

The Group is also exposed to foreign currency risk in respect of the overseas investments. The Group and the Company do not hedge this exposure with foreign currency borrowings. However, the Board keeps this policy under review.

Liquidity risk

The Group and the Company monitor and maintain a level of cash and cash equivalents and bank facilities deemed adequate by management to finance the Group and the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following table shows information about exposure to interest rate risk.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

30. FINANCIAL INSTRUMENTS (CONT'D)**Effective interest rates and repricing analysis (cont'd)**

	Effective interest rate per annum %	Total RM'000	Within 1 year RM'000
Group			
2005			
Financial assets			
Fixed deposits placed with licensed banks	2.99	603	603
Financial liabilities			
Secured term loans	6.25	107,399	107,399
Secured overdrafts	7.13	6,446	6,446
Unsecured overdrafts	7.64	4,614	4,614
Secured bankers' acceptances	3.03	1,462	1,462
Unsecured bankers' acceptances	3.19	18,909	18,909
Secured revolving credits	5.19	41,000	41,000
Unsecured revolving credits	4.77	12,500	12,500
2004			
Financial assets			
Fixed deposits placed with licensed banks	3.00	278	278
Quoted ICULS	9.60	5,735	5,735
Financial liabilities			
Secured term loans	7.08	122,027	122,027
Secured overdrafts	7.00	22	22
Unsecured overdrafts	7.75	4,607	4,607
Secured bankers' acceptances	3.51	2,906	2,906
Unsecured bankers' acceptances	3.12	17,988	17,988
Secured revolving credits	5.86	39,600	39,600
Unsecured revolving credits	4.88	12,500	12,500
Company			
2005			
Financial liabilities			
Secured term loans	6.10	54,375	54,375
Secured revolving credits	5.27	36,000	36,000
Secured overdrafts	7.50	304	304
2004			
Financial liabilities			
Secured term loans	6.60	45,000	45,000
Secured revolving credits	6.03	34,600	34,600

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONT'D)**Fair Values*****Recognised financial instruments***

In respect of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.

In respect of long-term borrowings, the carrying amounts approximate fair value as they are on floating rates and reprice to market interest rates for liabilities with similar risk profiles.

It is not practicable to estimate the fair value of unquoted investments. Unquoted investments in Malaysia and overseas are carried at historical cost less allowance for diminution in value of RM34,000 (2004 - RM34,000) and Nil (2004 - RM23,919,000) respectively in the balance sheet. The Group's share of net tangible assets reported by the unquoted company in Malaysia at 31 December 2004 was RM545,000 (31.12.2003 - RM489,000). In the previous year, the Group's share of net tangible assets reported by the overseas unquoted company at year end was RM46,078,000.

The fair values of amounts due from/(to) subsidiaries have not been determined as the timing of the expected cash flows of these balances cannot be reasonably determined without incurring excessive cost due principally to a lack of fixed repayment terms between the parties involved.

The aggregate fair values of other financial assets and liabilities carried on the balance sheet as at 30 June are represented in the following table.

	2005 Carrying amount RM'000	2004 Fair value RM'000	2005 Carrying amount RM'000	2004 Fair value RM'000
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Group**Financial assets**

Shares quoted in Malaysia	50,873	34,747	44,670	37,918
Shares quoted overseas	-	-	-	83
Warrants quoted in Malaysia	482	386	482	482
ICULS quoted in Malaysia	-	-	5,735	6,285
Other investments quoted in Malaysia	1,233	1,677	1,167	1,589
	52,588	36,810	52,054	46,357

The fair value of quoted investments is their quoted bid price at the close of business on the balance sheet date.

Financial assets carried in excess of fair value

The quoted shares are carried in excess of their fair value. The quoted investments have not been written down to fair value because the Directors are of the view that the diminution in their value is temporary.

31. SUBSIDIARIES

The principal activities of the subsidiaries, their places of incorporation and the interest of PJ Development Holdings Berhad are as follows:

Name of Company	Principal Activities	Country of Incorporation	Effective Ownership Interest	
			2005 %	2004 %
Damai Laut Golf Resort Sdn. Bhd. and its subsidiary	Development and investment in resort property, hotel and restaurant business and operation of golf course	Malaysia	99	98
DLHA Management Services Sdn. Bhd.	Provision of property management services	Malaysia	99	98
Eframe Sdn. Bhd.	Software consultancy, product development and maintenance	Malaysia	100	100
Olympic Cable Company Sendirian Berhad and its subsidiaries	Manufacturing and sales of cables and wires	Malaysia	100	100
Olympic Cable (Singapore) Pte. Ltd.*	Trading of cable products	Singapore	100	100
Olympic Properties Sdn. Bhd.	Property investment	Malaysia	100	100
Pengerang Jaya Pte. Ltd.* and its subsidiaries	Investment holding	Singapore	100	100
Pengerang Jaya Investment Pte. Ltd.*	Investment holding	Singapore	100	100
P.J. (A) Pty. Limited**	Investment holding	Australia	100	100
PJD Construction Sdn. Bhd. and its subsidiaries	Construction	Malaysia	100	100
Acotec-Concrete Products Sdn. Bhd.	Property investment and rental services	Malaysia	100	100
PJD Concrete Land (JB) Sdn. Bhd.	Property investment	Malaysia	100	100
PJD Concrete Land (South) Sdn. Bhd.	Property investment	Malaysia	100	100
PJD Concrete Products Sdn. Bhd.	Manufacturing and sale of roofing tiles and concrete wall panels	Malaysia	100	100
PJDC International Sdn. Bhd.	Investment holding	Malaysia	100	100
PJDCI Co., Ltd.**	Investment holding	Thailand	78.5	-
PJDC Co., Ltd**	Construction	Thailand	88.5	-

Notes to the Financial Statements

31. SUBSIDIARIES (CONT'D)

Name of Company	Principal Activities	Country of Incorporation	Effective Ownership Interest	
			2005 %	2004 %
PJD Land Sdn. Bhd.	Dormant	Malaysia	100	100
PJD Management Services Sdn. Bhd.	Provision of property management and facilities services	Malaysia	100	100
PJD Marketing Sdn. Bhd.	Trading of building materials	Malaysia	100	100
PJD Hotels Sdn. Bhd. and its subsidiaries	Hotel and restaurant business	Malaysia	100	100
MM Hotels Sdn. Bhd.	Hotel and restaurant business	Malaysia	100	100
Superville Sdn. Bhd.	Investment in resort property	Malaysia	100	100
Swiss-Garden Hotel Management Sdn. Bhd.	Hotel management and consultancy services	Malaysia	100	100
Swiss-Garden International Limited	Hotel management and consultancy services	British Virgin Islands	100	100
Swiss-Garden International Hotel & Resorts (Australia) Pty. Ltd.**	Hotel management and consultancy services	Australia	100	-
Swiss-Garden International Limited**	Dormant	United Kingdom	100	100
Swiss-Garden International Sdn. Bhd.	Hotel management and consultancy services	Malaysia	100	100
Swiss-Garden Rewards Sdn. Bhd.	Marketing of annual privilege cards	Malaysia	70	70
Swiss-Garden Rewards (Singapore) Pte. Ltd.*	Agent providing services to hotel companies	Singapore	70	70
PJD Realty Sdn. Bhd. and its subsidiaries	Investment holding	Malaysia	100	100
Bindev Sdn. Bhd.	Property development	Malaysia	100	100
Bunga Development Sdn. Bhd.	Property development	Malaysia	100	100
Harbour Place Management Services Sdn. Bhd.**	Provision of property management services	Malaysia	100	-

31. SUBSIDIARIES (CONT'D)

Name of Company	Principal Activities	Country of Incorporation	Effective Ownership Interest	
			2005 %	2004 %
HTR Management Services Sdn. Bhd.	Provision of property management services	Malaysia	100	-
Kota Mulia Sdn. Bhd.	Property development and investment	Malaysia	100	100
Kulai Management Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100
K.G. Management Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100
OLP Management Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100
PJD Eastern Land Sdn. Bhd.	Property development and investment	Malaysia	100	100
PJD Paragon Development Sdn. Bhd.	Property development	Malaysia	100	100
PJD Properties Management Sdn. Bhd.	Provision of project management services	Malaysia	100	100
PJD Regency Sdn. Bhd.	Property development	Malaysia	100	100
PTC Management Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100
Putri Kulai Recreational Club Berhad	Management and operation of recreational club	Malaysia	100	100
Rose Villa Management Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100
PJ Equity Sdn. Bhd.	Investment holding and trading	Malaysia	100	100
PJ Exim Sdn. Bhd.	Trading of cable products	Malaysia	100	100
Swiss-Garden International Vacation Club Berhad	Operation and management of timeshare membership scheme	Malaysia	100	100
Swiss-Garden Management Services Sdn. Bhd.	Hotel and restaurant business	Malaysia	100	100
Techno-Trans Engineering Sdn. Bhd.	Dormant	Malaysia	100	100
Wahyu Sdn. Bhd.	Dormant	Malaysia	100	100

* Audited by member firm of KPMG International in the respective country.

** Not required to be audited and was consolidated using management financial statements.

Notes to the Financial Statements

32. ACQUISITION OF SUBSIDIARY

On 15 January 2005, a subsidiary, Swiss-Garden International Sdn. Bhd., acquired all the shares in Swiss-Garden International Hotel & Resorts (Australia) Pty. Ltd. for a consideration of RM3.00 satisfied by cash. The acquisition was accounted for using the acquisition method of accounting.

On 18 January 2005, a subsidiary, Kota Mulia Sdn. Bhd., acquired all the shares in HTR Management Services Sdn. Bhd. for a consideration of RM2.00 satisfied by cash. The acquisition was accounted for using the acquisition method of accounting.

On 20 May 2005, a subsidiary, PJDC International Sdn. Bhd., acquired 78.5% and 48.5% of the entire shares in PJDCI Co., Ltd. and PJDC Co., Ltd. for a consideration of RM219,000 and RM1,644,000 respectively satisfied by cash. The acquisition was accounted for using the acquisition method of accounting.

On 20 May 2005, a subsidiary, PJDCI Co., Ltd., acquired 51% of the entire shares in PJDC Co., Ltd. for a consideration of RM1,729,000 satisfied by cash. The acquisition was accounted for using the acquisition method of accounting.

On 30 May 2005, a subsidiary, PJD Eastern Land Sdn. Bhd., acquired all the shares in Harbour Place Management Services Sdn. Bhd. for a consideration of RM2.00 satisfied by cash. The acquisition was accounted for using the acquisition method of accounting.

Effect of acquisitions

All the acquisitions during the year had no material effect on the Group's financial position, assets and liabilities at the date of acquisition and as at 30 June 2005.

33. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT

Change in accounting policy

In the current financial year, the Group adopted FRS 201, Property Development Activities for the first time and as a result, borrowing costs previously capitalised in respect of land held for property development that is not being developed has to be written off and promotional cost associated with the sale of development units that were previously capitalised are now expensed off to the income statement in accordance with FRS 201.

This change in accounting policy, applied retrospectively, had the following impact on results:

	Group	
	2005 RM'000	2004 RM'000
Net profit before change in accounting policy	29,840	20,056
Effect of adopting FRS 201	(2,271)	(552)
Net profit for the year	27,569	19,504

Prior year adjustment

The change in accounting policy due to the adoption of FRS 201 has been accounted for by restating comparatives and adjusting the opening balances of retained profits at 1 July 2004 as disclosed in Note 34 and the statement of changes in equity retrospectively.

34. COMPARATIVE FIGURES

The following comparatives have been restated to reflect the changes in accounting policy as explained in Note 33.

	As restated RM'000	As previously stated RM'000
Balance sheet		
Land held for property development	153,003	183,299
Deferred tax assets	3,167	-
Deferred tax liabilities	10,098	10,113
Current assets/Current liabilities		
Property development costs	93,835	104,994
Trade and other receivables	155,801	135,040
Trade and other payables	107,056	96,043
Income statement		
Property development expenses	(100,935)	(107,498)
Gross profit	100,247	93,684
Other operating expenses	(50,901)	(46,540)
Operating profit	39,562	37,360
Financing costs	(11,898)	(9,603)
Profit before taxation	29,023	29,116
Tax expense	(8,764)	(8,305)
Net profit for the year	19,504	20,056
Statement of changes in equity		
Retained earnings		
At 1 July 2003	118,279	146,252
Retained earnings		
At 1 July 2004	134,499	163,024

As a result of the above, the Company's cash flow statement for the year ended 30 June 2004 has been restated accordingly.

List of Group's Properties as at 30 June 2005

Location	Area (sq ft)	Tenure	Description/ Existing Use	Age of Building	Date of Valuation	Date of Acquisition	Net Book Value (RM'000)
Mukim of Kuala Kuantan Pahang Darul Makmur	2,392,409	Leasehold (99 years expiring on 23.04.2095)	Land for residential & commercial development	N/A	-	11.09.1996	29,086
Mukim of Senai, Kulai District of Johor Bahru Johor Darul Takzim	3,024,369	Freehold	Land for residential, commercial & industrial development	N/A	-	1991	60,760
Lot 55329, 55339 and 55343 Mukim Batu Kuala Lumpur Wilayah Persekutuan	538,690	Freehold	Land for residential, condominium development	N/A	-	28.02.2000 20.09.2001	34,658
Geran No. 43720, Lot 55344 Mukim of Batu Kuala Lumpur Wilayah Persekutuan	442,956	Freehold	Land for residential development	N/A	-	28.11.2001	38,205
HS(D) 90327, PT 15226 Mukim Batu Kuala Lumpur Wilayah Persekutuan	34,057	Freehold	Land for development	N/A	-	10.03.2005	1,545
Lots 3670, 3673 - 3677 and Lot 2446 & 2447 Sek. 4, Butterworth District of Seberang Prai Utara Pulau Pinang	685,822	Freehold	Land for mixed development	N/A	-	14.10.1996	70,968
PT 14830, PT 927, Lots 161-166 Mukim Ulu Klang District of Gombak Selangor Darul Ehsan	148,840	Leasehold (99 years expiring on 03.12.2096)	Land for residential development	N/A	-	1988	4,637
H.S.(D) 11102 P.T. 330, Seksyen 4 Bandar Butterworth District of Seberang Perai Utara Pulau Pinang	6,600	Freehold	Land for development	N/A	-	19.05.2005	181
Damai Laut Golf & Country Resort Mukim of Lumut District of Dindings Perak Darul Ridzuan	15,204,651	Freehold and leasehold (99 years expiring on 08.06.2094)	Resort & property development	N/A	2004	1990	139,143

Location	Area (sq ft)	Tenure	Description/ Existing Use	Age of Building	Date of Valuation	Date of Acquisition	Net Book Value (RM'000)
Geran 5331, Lot 2874 Mukim of Lumut District of Manjung Perak Darul Ridzuan	224,334	Freehold	Resort & property development	N/A	-	10.01.2005	3,929
Mukim of Lumut District of Dindings Perak Darul Ridzuan	5,808,290	Freehold	Agricultural land	N/A	-	1994	1,625
Swiss-Garden Hotel Kuala Lumpur 117 Jalan Pudu 55100 Kuala Lumpur Wilayah Persekutuan	268,150 (built-up)	Freehold	Hotel	11 years 11 months	2004	-	90,972
Swiss-Inn Kuala Lumpur No. 62 Jalan Sultan 50000 Kuala Lumpur Wilayah Persekutuan	62,591 (built-up)	Freehold	Hotel	10 years 11 months	2004	-	21,420
Swiss-Garden Resort & Spa Kuantan Lot 7566 Mukim Sungai Karang 26100 Berserah Daerah Kuantan Pahang Darul Makmur	250,512 (built-up)	Freehold	Hotel	7 years 3 months	2004	-	88,027
Swiss-Inn Sungai Petani No. 1 Jalan Pahlawan Taman Pahlawan 08000 Sungai Petani Kedah Darul Aman	146,534	Freehold	Hotel	13 years	2004	-	19,500
Lot C38, Block C Nilai Industrial Estate 71800 Nilai Negeri Sembilan Darul Khusus	368,517	Leasehold (99 years expiring on 01.11.2089)	Industrial premises	11 years 2 months	-	26.08.1993	6,759
76km, Butterworth-Ipoh Main Trunk Road 34007 Taiping Perak Darul Ridzuan	588,321	Freehold	Industrial premises	10 years 10 months	-	01.04.1997	3,590
Lot 1290 & 1298 Jalan Tun Mutahir 5 Tenggara Industrial Park 81000 Bandar Tenggara Johor Darul Takzim	437,778	Leasehold (60 years)	Industrial premises	7 years 1 month	-	26.05.1997	2,636

List of Group's Properties as at 30 June 2005

Location	Area (sq ft)	Tenure	Description/ Existing Use	Age of Building	Date of Valuation	Date of Acquisition	Net Book Value (RM'000)
Lot PT 2117 - 2133 Jalan PK 1 Taman Perindustrian Krubong 75250 Melaka	1,468,780	Freehold	Industrial premises	7 years 6 months	-	16.12.1996	27,331
No. 101-107 Jalan Titipanjang 32200 Lumut Perak Darul Ridzuan	85,246	Freehold	Five storey building	7 years 3 months	-	20.10.1995	2,937
H.S.(D) Dgs No. 16770 Lot No. 8638 Mukim of Lumut District of Manjung Perak Darul Ridzuan	45,356 (built-up)	Freehold	61 units holiday apartments	5 years 6 months	-	01.06.2001	8,008
Diaman Crimson Commercial Centre Jalan PJU 1A/41A, Ara Jaya 47301 Petaling Jaya Selangor Darul Ehsan	19,815 (built-up)	Freehold	Commercial units	3 years 9 months	-	26.09.2001	4,286
Unit 8, 2nd Floor Grant Mukim No. 206 & 207 Lot No 518 & 519 Mukim 11, South West District State of Penang	883	Feehold	Commercial unit	6 years 10 months	-	25.01.1999	150
Endah Gateway 17 Jalan 2/149B Taman Sri Endah Bandar Baru Seri Petaling 57000 Kuala Lumpur Wilayah Persekutuan	15,840 (built-up)	Leasehold (93 years expiring on 19.02.2083)	Three storey shop offices	12 years 10 months	-	07.08.1992	2,004
PTD 18660 & 18661 Jalan Persiaran Sri Putri 3 Taman Putri Kulai 81000 Kulai Johor Darul Takzim	174,515	Freehold	Clubhouse	N/A	-	01.06.2001	8,212

Analysis of Shareholdings as at 30 September 2005

Authorised Capital	:	RM1,000,000,000
Issued And Fully Paid-up Capital	:	RM456,132,232
Class of Shares	:	Ordinary shares of RM1.00 each fully paid
Voting Rights	:	One vote per RM1.00 share

BREAKDOWN OF SHAREHOLDINGS

Range of Shareholdings	No. of Holders	Percentage of Holders	No. of RM1.00 Shares	Percentage of Issued Capital
Less than 100	481	2.34	8,616	0.00
100 – 1,000	4,584	22.28	3,824,121	0.84
1,001 – 10,000	12,070	58.67	54,804,840	12.02
10,001 – 100,000	3,157	15.35	89,539,743	19.63
100,001 – 22,806,610	279	1.36	225,384,831	49.41
22,806,611 and above	1	0.00	82,570,081	18.10
TOTAL	20,572	100.00	456,132,232	100.00

THIRTY LARGEST REGISTERED HOLDERS

Name	Shareholdings	Percentage
1. Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dindings Consolidated Sdn Bhd (3261 KLZA)</i>	82,570,081	18.10
2. Khor Chai Moi	15,698,121	3.44
3. Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Skim Amanah Saham Bumiputera</i>	13,918,600	3.05
4. Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Khor Chai Moi (3261 KLZA)</i>	10,352,445	2.27
5. Hwang-DBS Securities Berhad <i>IVT (SFS)</i>	9,736,647	2.13
6. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pheim Asset Management Sdn Bhd for Employees Provident Fund</i>	8,035,600	1.76
7. Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ladang Setia Sdn Bhd (3261 KLZA)</i>	7,335,360	1.61
8. OSK Nominees (Tempatan) Sdn Berhad <i>Wong Chong Ngin</i>	7,086,400	1.55
9. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Soon Tiek Development Sdn Bhd</i>	7,000,000	1.53

Analysis of Shareholdings as at 30 September 2005

Name	Shareholdings	Percentage
10. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Soon Tiek Development Sdn Bhd (KLC)</i>	6,620,327	1.45
11. UOBM Nominees (Asing) Sdn Bhd <i>United Overseas Bank Nominees (Pte) Ltd for YC Ltd</i>	6,300,000	1.38
12. UOBM Nominees (Asing) Sdn Bhd <i>United Overseas Bank Nominees (Pte) Ltd for YM Ltd</i>	6,008,800	1.32
13. Land Management Sdn Bhd	4,400,000	0.96
14. Lembaga Tabung Angkatan Tentera	4,384,000	0.96
15. ABB Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dindings Consolidated Sdn Bhd (11200518380)</i>	4,148,000	0.91
16. Khor Chei Yong	3,774,200	0.83
17. UOBM Nominees (Asing) Sdn Bhd <i>United Overseas Bank Nominees (Pte) Ltd for JY Ltd</i>	3,609,200	0.79
18. HSBC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Ah Chiew</i>	3,462,200	0.76
19. Wong Chong Ngin	3,221,000	0.71
20. UOBM Nominees (Asing) Sdn Bhd <i>United Overseas Bank Nominees (Pte) Ltd for YS Ltd</i>	3,100,000	0.68
21. Citicorp Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Khor Chai Moi (472724)</i>	3,000,000	0.66
22. OSK Nominees (Tempatan) Sdn Berhad <i>Khor Chai Moi</i>	2,448,000	0.54
23. Wong Ah Chiew	2,376,000	0.52
24. UOBM Nominees (Asing) Sdn Bhd <i>United Overseas Bank Nominees (Pte) Ltd for JX Ltd</i>	2,222,000	0.49
25. Wong Chong Kim	2,032,000	0.45
26. Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB for Mohamad Sahafi @ Mohamad Sahafi bin Sher Mohamd</i>	2,000,000	0.44

Name	Shareholdings	Percentage
27. UOBM Nominees (Asing) Sdn Bhd <i>UOB-IOD for United Overseas Bank Ltd (ACU)</i>	1,452,300	0.32
28. Teoh Ah Koo @ Teo Kai Joo	1,438,400	0.32
29. Lau Wai Fong	1,400,000	0.31
30. Au Yiu Joo	1,383,600	0.30

SUBSTANTIAL SHAREHOLDERS

According to the register required to be kept under section 69L of the Companies Act, 1965, the following are the substantial holders of the Company:-

Name	No. of shares held			
	Direct Interest	%	Indirect/Deemed Interest	%
Dindings Consolidated Sdn Bhd	-	-	*86,718,081	19.01
Khor Chai Moi	15,698,121	3.44	**111,183,486	24.38
Wong Ah Chiew	2,376,000	0.52	***90,180,281	19.77

Notes :

* By virtue of shares held through Nominees.

** By virtue of shares held through Dindings Consolidated Sdn Bhd, Ladang Setia Sdn Bhd, family members and Nominees.

*** By virtue of shares held through Dindings Consolidated Sdn Bhd and Nominees.

Analysis of Warrantholdings as at 30 September 2005 - Warrants A

No. of Warrants Issued : 110,866,659

BREAKDOWN OF HOLDINGS

Range of Holdings	No. of Holders	Percentage of Holders	No. of Warrants	Percentage of Issued Warrants
Less than 100	729	10.56	35,417	0.03
100 – 1,000	747	10.83	369,845	0.33
1,001 – 10,000	3,959	57.37	14,014,882	12.64
10,001 – 100,000	1,298	18.81	37,889,100	34.18
100,001 – 5,543,331	167	2.42	52,832,481	47.66
5,543,332 and above	1	0.01	5,724,934	5.16
TOTAL	6,901	100.00	110,866,659	100.00

THIRTY LARGEST REGISTERED HOLDERS

Name	Warrantholdings	Percentage
1. Permodalan Nasional Berhad	5,724,934	5.16
2. Yeap Sin Guan	3,000,000	2.71
3. Institute for Development Studies (Sabah)	2,446,976	2.21
4. Ting Tung Hiong	1,353,900	1.22
5. Wong Ah Chiew	1,135,890	1.02
6. Sumarni binti Mohd Ghazali	1,030,000	0.93
7. Semawi bin Sabli	1,000,000	0.90
8. Yap Kun Lee	1,000,000	0.90
9. TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Toh Thai</i>	930,000	0.84
10. Wong Mee Hung	884,000	0.80
11. Lew Tin Yang @ Leu Ting Yeang	800,000	0.72
12. Yap Ching Loon	763,800	0.69
13. Tan Eng Hock @ Michael Tan	723,600	0.65
14. Institute for Development Studies (Sabah)	718,537	0.65
15. Benjamin Tang Wei Hui	704,600	0.64
16. Suntharalingam a/l Sinnathamby	702,300	0.63
17. Chuah Hun Em	700,800	0.63

Name	Warrantholdings	Percentage
18. Teh Chak Seong	639,585	0.58
19. Teoh Ah Koo @ Teo Kai Joo	612,045	0.55
20. Lim Sing Tung	597,800	0.54
21. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lau Ngie Tiong (100276)</i>	590,547	0.53
22. Tang Kee Hiong	531,843	0.48
23. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Pang Cheong Kai (850596)</i>	500,000	0.45
24. Chong Boon Weng	500,000	0.45
25. Mohamed Rosli bin Mat Zain	500,000	0.45
26. Wan Abdul Rahman bin Wan Daud	491,000	0.44
27. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lau Ngie Tiong (E-CST)</i>	455,318	0.41
28. Ke-zan Nominees (Tempatan) Sdn Bhd <i>Ku Ah Ya @ Koh Chye Hong</i>	450,000	0.41
29. Ma Chay Hong	434,500	0.39
30. RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for How Peng Kooi (CEB)</i>	400,000	0.36

Analysis of Warrantholdings as at 30 September 2005 - Warrants B

No. of Warrants Issued : 114,032,898

BREAKDOWN OF HOLDINGS

Range of Holdings	No. of Holders	Percentage of Holders	No. of Warrants	Percentage of Issued Warrants
Less than 100	81	4.93	3,328	0.00
100 – 1,000	325	19.79	200,427	0.18
1,001 – 10,000	857	52.19	3,537,523	3.10
10,001 – 100,000	313	19.06	10,107,631	8.86
100,001 – 5,701,643	60	3.66	28,367,890	24.88
5,701,644 and above	6	0.37	71,816,099	62.98
TOTAL	1,642	100.00	114,032,898	100.00

THIRTY LARGEST REGISTERED HOLDERS

Name	Warrantholdings	Percentage
1. Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dindings Consolidated Sdn Bhd (3261 KLZA)</i>	24,913,392	21.85
2. OSK Securities Berhad <i>IVT (LH)</i>	18,665,279	16.37
3. Khor Chai Moi	8,581,199	7.53
4. Dindings Consolidated Sdn Bhd	6,680,000	5.86
5. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Soon Tiek Development Sdn Bhd (KLC)</i>	6,491,098	5.69
6. Hwang-DBS Securities Berhad <i>IVT (SFS)</i>	6,485,131	5.69
7. Cimsec Nominees (Asing) Sdn Bhd <i>CIMB for Waqar Saeed Bhatti (Margin-MM0647)</i>	3,010,000	2.64
8. Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Khor Chai Moi (3261 KLZA)</i>	2,901,630	2.54
9. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pheim Asset Management Sdn Bhd for Employees Provident Fund</i>	2,031,600	1.78
10. Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ladang Setia Sdn Bhd (3261 KLZA)</i>	1,833,840	1.61
11. OSK Nominees (Tempatan) Sdn Berhad <i>Wong Chong Ngin</i>	1,771,600	1.55
12. Land Management Sdn Bhd	1,699,000	1.49

Name	Warrantholdings	Percentage
13. UOBM Nominees (Asing) Sdn Bhd <i>United Overseas Bank Nominees (Pte) Ltd for JY Ltd</i>	1,272,800	1.12
14. UOBM Nominees (Asing) Sdn Bhd <i>United Overseas Bank Nominees (Pte) Ltd for JX Ltd</i>	1,220,800	1.07
15. UOBM Nominees (Asing) Sdn Bhd <i>United Overseas Bank Nominees (Pte) Ltd for YC Ltd</i>	1,200,000	1.05
16. UOBM Nominees (Asing) Sdn Bhd <i>United Overseas Bank Nominees (Pte) Ltd for YM Ltd</i>	1,127,200	0.99
17. Haw Ah Bee Construction Sdn Bhd	700,000	0.61
18. Tang Kee Hiong	630,000	0.55
19. HDM Nominees (Asing) Sdn Bhd <i>UOB Kay Hin Pte Ltd for Tay Yew Hock (Margin)</i>	533,000	0.47
20. Khor Chei Yong	502,000	0.44
21. Wong Ah Chiew	402,000	0.35
22. UOBM Nominees (Asing) Sdn Bhd <i>United Overseas Bank Nominees (Pte) Ltd for YS Ltd</i>	400,000	0.35
23. Yeo Eck Liang	361,900	0.32
24. Teoh Kim Hooi	257,200	0.23
25. JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Quah Chia Fhu</i>	252,700	0.22
26. Yap Ah Seng	249,800	0.22
27. Paul Yii See Yiing	234,920	0.21
28. Lau Kok Loon @ Lau Say Siok	230,200	0.20
29. JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yam Yuet Chew</i>	210,400	0.18
30. OSK Nominees (Tempatan) Sdn Berhad <i>Pledged Securities Account for Lai Soo Cheng</i>	210,000	0.18

Other Information

1. Directors' Interest As At 30 September 2005

COMPANY

Director	Ordinary Shares Of RM1.00 Each			
	Direct Interest		Indirect/Deemed Interest	
	No.	%	No.	%
Dato' Dr Haji Dzulkarnain Bin Shafiee	64,000	0.01	53,000	0.01
Wong Ah Chiew	2,376,000	0.52	90,180,281	19.77
Wong Chong Shee	1,300,000	0.29	-	-
Khor Chai Moi	15,698,121	3.44	111,183,486	24.38

Director	Warrants A			
	Direct Interest		Indirect/Deemed Interest	
	No.	%	No.	%
Dato' Dr Haji Dzulkarnain Bin Shafiee	108,708	0.10	-	-
Wong Ah Chiew	1,135,890	1.02	34	-
Khor Chai Moi	65	-	180	-

Director	Warrants B			
	Direct Interest		Indirect/Deemed Interest	
	No.	%	No.	%
Dato' Dr Haji Dzulkarnain Bin Shafiee	4,000	0.004	-	-
Wong Ah Chiew	402,000	0.35	31,593,392	27.71
Wong Chong Shee	33	-	-	-
Khor Chai Moi	8,581,199	7.53	36,538,862	32.04

RELATED CORPORATION

Director	Ordinary/ Redeemable Preference Shares Of RM1.00 Each			
	Direct Interest		Deemed Interest	
	No.	%	No.	%
a) Wong Ah Chiew				
b) Khor Chai Moi				
• Damai Laut Golf Resort Sdn Bhd	-	-	29,500,000 (Ordinary) 20,000,000 (Redeemable Preference)	99.00
• Swiss-Garden Rewards Sdn Bhd	-	-	350,000	70.00

Director	Ordinary Shares Of 10.00 Thai Baht Each			
	Direct Interest		Deemed Interest	
	No.	%	No.	%
a) Wong Ah Chiew				
b) Khor Chai Moi				
• PJDCI Co., Ltd	-	-	242,500	78.5
• PJDC Co., Ltd	-	-	14,925,000	88.5

2. Material Contracts Involving Directors' and Substantial Shareholders' Interest

There was no material contract(s) entered into by the Company or its subsidiaries involving directors' and substantial shareholders' interests in the financial year ended 30 June 2005.



PJ DEVELOPMENT HOLDINGS BERHAD
(Company No. 5938-A) (Incorporated in Malaysia)

Number of PJD Shares held
CDS Account No.

FORM OF PROXY

I/We.....
(PLEASE USE BLOCK LETTERS)

NRIC No./Passport No./Company No.....
of.....
.....being a member(s) of **PJ DEVELOPMENT HOLDINGS BERHAD**

hereby appoint.....

NRIC No./Passport No./Company No.....
of.....

or failing him / her,.....

NRIC No./Passport No./Company No.
of.....

or failing him / her the Chairman of the Meeting as my / our proxy, to vote for me / us on my / our behalf at the 40th Annual General Meeting of the Company to be held at the Hibiscus Room, Level One, Swiss-Garden Hotel Kuala Lumpur, 117, Jalan Pudu, 55100 Kuala Lumpur, Malaysia, on Wednesday, 23 November 2005 at 10.00 a.m. and at any adjournment thereof, in the manner indicated below :

	RESOLUTIONS	FOR	AGAINST
1.	Adoption of Reports & Financial Statements		
2.	Declaration of a final dividend		
3.	Re-election of Directors :		
	(a) YM Ungku Haji Mohd Afandi bin Suleiman		
	(b) Au Chun Choong		
	(c) Mohamed Zain bin Mohamed Yusoff		
4.	Approval of Directors' Fees		
5.	Re-appointment of Auditors and authorising Directors to fix their remuneration		
7.	Special Business – Ordinary Resolution 1		
8.	Special Business – Ordinary Resolution 2		
9.	Special Business – Ordinary Resolution 3		

(Please indicate with an "X" how you wish to cast your vote. If you do not so, the proxy will vote or abstain from voting at his / her discretion.)

The proportion of my/our holding to be represented by my/our proxy/proxies are as follows :

First Proxy - %

Second Proxy - %

100%

Signed this day of 2005
.....
Signature of Shareholder

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote in his stead. If two proxies are appointed, the number of shares each person is entitled to vote must be stated in the form of proxy. A proxy need not be a member of the Company.
2. All forms of proxy must be deposited at the Registered Office of the Company at 18th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its Common Seal or the hand of its attorney.
4. **Ordinary Resolution 1**
This Ordinary Resolution, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and costs in convening a general meeting to specifically approve such an issues of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.
5. **Ordinary Resolution 2**
This Ordinary Resolution, if passed, will provide a new mandate for the Company and its subsidiaries and associates to enter into recurrent related party transactions with related parties in the ordinary course of business based on commercial terms which are not more favourable to the related parties than those generally available to the public which are necessary for the Group's day to day operations and shall lapse at the conclusion of the next Annual General Meeting unless authority for the approval is obtained from the shareholders of the Company at a general meeting.
6. **Ordinary Resolution 3**
This Ordinary Resolution, if passed, will provide a mandate for the Company to purchase its own shares up to 10% of the issued and paid-up ordinary share capital of the Company and shall lapse at the conclusion of the next Annual General Meeting unless authority for the approval is obtained from the shareholders of the Company at a general meeting.

Shareholders are requested to refer to the enclosed Circular to Shareholders for additional information.

Fold this flap for sealing

Stamp

The Secretary
PJ Development Holdings Berhad
(Company No. 5938-A)
18th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Malaysia

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1st fold here

