



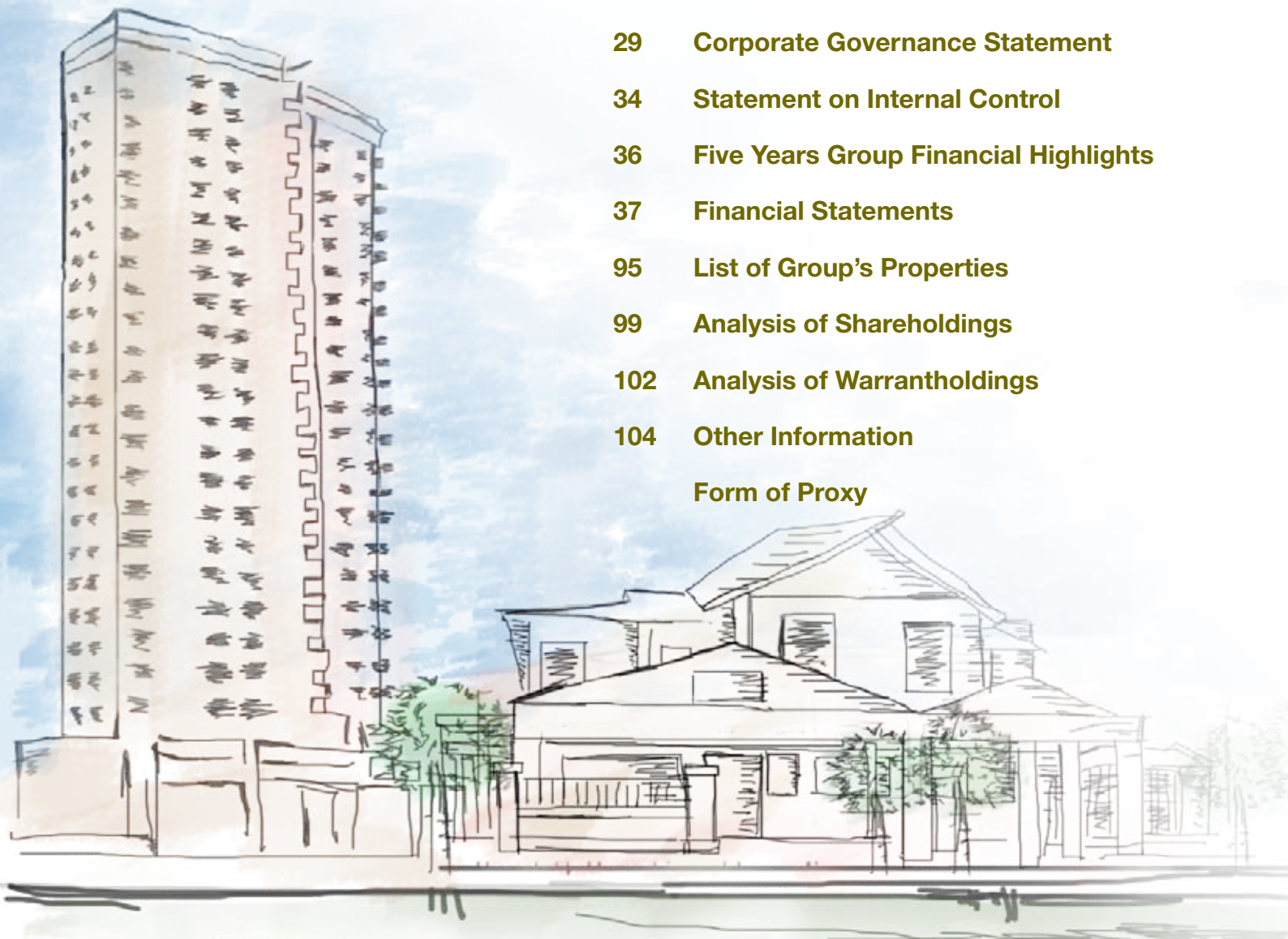
**PJ DEVELOPMENT
HOLDINGS BERHAD**
(Company No. 5938-A)
(Incorporated in Malaysia)

ANNUAL REPORT 2006



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-First 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, 22 November 2006 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 2006 together with the Report of the Auditors thereon.
2. To declare a first and final dividend of 4% less 28% tax for the year ended 30 June 2006.
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) Wong Ah Chiew
 - (b) Khor Chai Moi
 - (c) Yap Yoon Kong
4. To consider and, if thought fit, pass the following resolution:

“THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato' Mohamed Tarmizi bin Mohd Tahir be re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting.”
5. To approve the payment of Directors' fees for the year ended 30 June 2006.
6. To re-appoint Messrs KPMG as Auditors of the Company and to authorize the Directors to fix their remuneration.
7. To transact any other ordinary business of which due notice shall have been given.

As Special Business

8. 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 authorized 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 associate 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 authorized 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 Renewal Of Authorization 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



NOTICE OF ANNUAL GENERAL MEETING

Company be and is hereby authorized, 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.

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, finalize 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 2006



**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 authorized 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 new 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 Forty-First Annual General Meeting of the Company.

- (a) Wong Ah Chiew
- (b) Khor Chai Moi
- (c) Yap Yoon Kong

2. Director who is standing for re-appointment at the Forty-First Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965.

- (a) Dato' Mohamed Tarmizi bin Mohd Tahir

3. Details of attendance of Directors at Board Meetings.

There were four (4) Board of Directors' meetings held during the Financial Year ended 30 June 2006. The details of the attendance of the Directors are as follows:

Executive Directors	Attendance
1. Wong Ah Chiew	4/4
2. Wong Chong Shee	4/4
3. Khor Chai Moi	4/4
4. Yap Yoon Kong (Appointed on 13.01.2006)	1/2

Non-Executive Directors	
5. Dato' Dr Haji Dzulkarnain bin Shafiee	3/4
6. Dato' Mohamed Tarmizi bin Mohd Tahir	2/4
7. YM Ungku Haji Mohd Afandi bin Suleiman	4/4
8. Au Chun Choong	4/4
9. Mohamed Zain bin Mohamed Yusoff (Appointed on 26.08.2005)	3/3

4. Place, Date and Time of General Meeting.

The Forty-First 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, 22 November 2006 at 10.00 a.m.

5. Details of Directors who are standing for re-election/re-appointment.

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



BOARD OF DIRECTORS

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

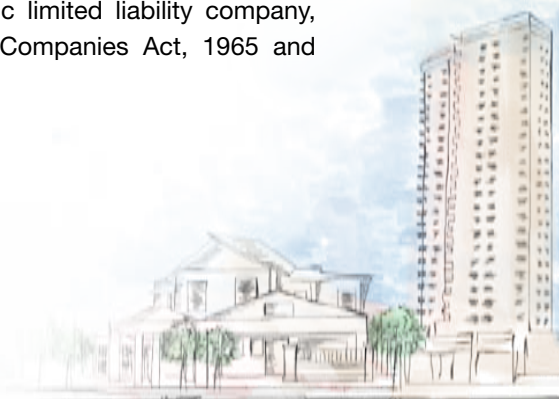
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad

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.

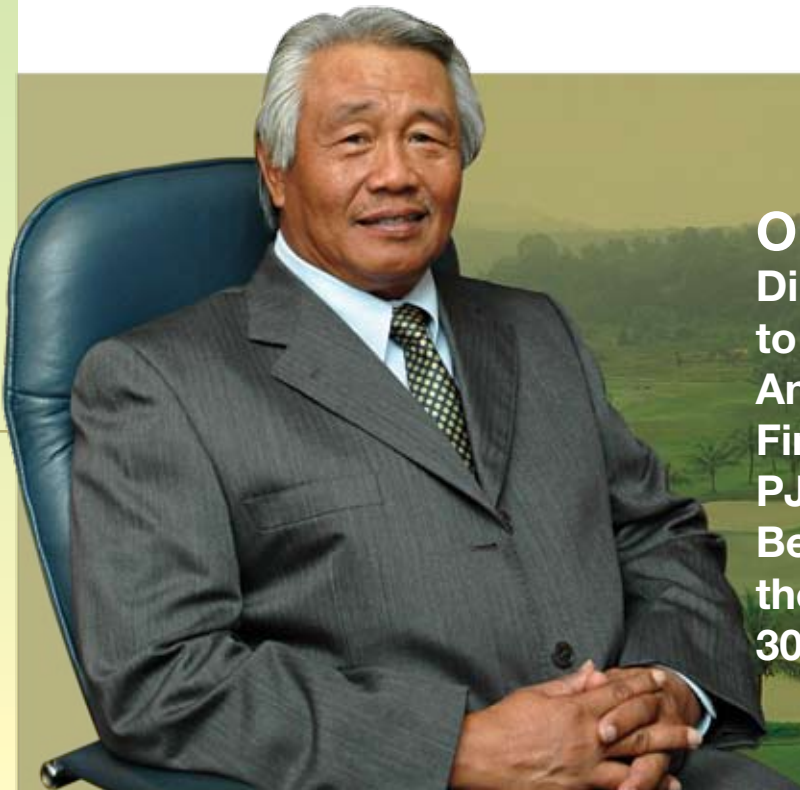


CHAIRMAN'S REVIEW

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PJ DEVELOPMENT HOLDINGS BERHAD (COMPANY No. 5938-A)



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 2006.

FINANCIAL REVIEW

The Group recorded a turnover of RM487.8 million for the financial year under review, representing an increase of 19.0% over the previous year's turnover of RM409.9 million

The Group registered a pre-tax profit of RM35.1 million as against a pre-tax profit of RM36.2 million for the previous financial year. Net tangible assets per share of the Group as at 30 June 2006 was RM1.57.

DIVIDEND

The Board of Directors has recommended for your approval payment of a first and final dividend of 4.0% less 28% income tax per share for the financial year ended 30 June 2006.

OPERATIONS REVIEW

PROPERTY DEVELOPMENT

Property development shall remain our core business and the division shall continue to deliver quality products. We are enthusiastic that our new line up of property developments in various parts of Malaysia providing choices of luxury lifestyle homes will cater to the desires of discerning property investors and home owners.

HARTAMAS REGENCY 1, our pioneer development in Sri Hartamas are now comfortable homes not only to the local but to various nationalities from Europe, the Middle East and Asia Pacific. HARTAMAS REGENCY 2 with a very encouraging takeup rate, continue to attract both local and foreign interests as the preferred choice. With the government re-launching of Malaysia My Second Home, we are optimistic of capturing the foreign market in actively promoting this program to potential overseas purchasers with quality luxury lifestyle products.





DUTA KENSINGTON Parkhomes, a completed low density high end development of 2½ and 3-Storey park homes in Sri Hartamas were sold with overwhelming success and comes with hi-tech security and smart home features. Riding on this success, plans are in store for a similar concept named DUTA KINGSBURY Parkhomes comprising 3-Storey Superlink homes to be launched in the first quarter of 2007.

Another project named IMPIAN MERIDIAN located in USJ, Subang Jaya, sits on a 2.71 acres of freehold land with a projected gross development value of RM158 million. The development will consist of shops, office suites and residence suites.

Development in HARBOUR PLACE, one of the pioneer integrated development in Butterworth is progressing smoothly. We are now embarking on Sea View Tower with 354 units of high-rise condominium offering 4 distinct designs and shop lots.

In Kuantan, Pahang, our Bukit Istana project has been extremely successful. We are now into our final phase of development with semi-detached homes and bungalows with a projected gross development value of RM62 million.

Down south, Taman Putri Kulai project is near its tail-end. Our new development in Johor is a 35 acres land bank next to Taman Universiti. With a projected gross development value of RM90 million, this project will comprise 190 units of semi-detached houses in a gated and guarded development and is scheduled to be launched by the first quarter of 2007.

The division is actively looking and will continue to expand its land banks at strategic locations, whether by way of direct acquisitions or joint ventures as the way forward.



CHAIRMAN'S REVIEW

CONSTRUCTION

During the year under review, the division completed several projects in the Klang Valley, Pahang and Penang. Due to the intensive competitiveness in bidding and price pressures, the division was more selective in tendering. The division was successful in increasing its order book by RM77 million in the financial year under review, making the division's total order book at RM477 million.

The division also ventured overseas to Thailand during the financial year under review and managed to secure the construction of more than 5,600 units of residential houses from the National Housing Authority of Thailand, a quasi government body. The projects-in-hand is valued at approximately RM220 million and will sustain us until 2009.

Looking ahead, we are optimistic about opportunities in the domestic front and overseas market. With the unveiling of the Ninth Malaysia Plan, among others, the construction industry will benefit greatly. We will actively seek opportunities to expand and achieve improved profits while continuing to exercise effective cost control so as to gain a competitive edge to meet the challenges of the coming year.

MANUFACTURING AND TRADING

Power Cables

The cable industry in Malaysia was particularly strong during the last financial year where major players enjoyed good capacity utilization. The division had benefited from the buoyant market too, achieving a record turnover and profit, despite the fact that metal prices were at high levels. The promotional effort in Vietnam undertaken two years ago also recorded improved export sales.

The impending implementation of the Ninth Malaysia Plan is expected to have a significant positive effect on the industry. The present demand trend should be sustainable and barring any unforeseen circumstances, similar results can be expected.

The company has also launched a new range of products called Fire Resistant Cables. These products received good response from both the domestic and export market. We are planning to introduce more specialized cable in future to enhance our product range with better margin.





For the coming financial year, establishment of a new plant in Vietnam will take place. We have purchased ten acres of factory land in Vietnam and are working on the plant design, construction and purchase of machineries for the new factory. It is expected to be in production in the second quarter of 2007. This facility will further enhance our existing export volume in Vietnam.

Concrete Wall Panels And Roofing Tiles

Our concrete panels and roofing tiles division has improved its performance in the year under review. The division continued to make inroads in the domestic and Singapore market despite the competitive trading environment in the construction industry due to higher oil prices and interest rates.



With the continuous effort in research and development and continuous improvement in all aspects of production, we believe that the quality and cost competitiveness of our products would be further improved.

The growing acceptance of the Acotec wall panel as a cost effective building system in the construction industry will be further increased with the Government support in promoting Integrated Building Systems (IBS) in this industry.

Given the commencement of the Ninth Malaysia Plan, with the impact starting to kick-in in the second half of 2006, we are cautiously optimistic to see further improvement in the performance of our concrete panels and roofing tiles division for the next financial year.

Materials Trading

Our materials trading division has been able to post a set of improved results despite the rising material prices, higher transportation costs and a relatively tight construction job market during the period. With the effort to widen its existing product range, the division will continue to scout for a synergistic tie-up with overseas manufacturers for exclusive product distributorship locally.



CHAIRMAN'S REVIEW

HOTELS AND LEISURE

2005/2006 saw the hotel division performed better, exceeding both budget and the preceding year's net operating profit as well. The better results were achieved amidst a stable regional economy which contributed to the increase in tourist arrivals benefiting a majority of the Klang Valley hotels including Swiss-Garden Hotel Kuala Lumpur and Swiss-Inn Kuala Lumpur in Chinatown. Good yield management was practised and average room rates continue to improve in all properties. This, coupled with good cost control management, contributed to the better bottom line.

The newly renovated lobby and F&B outlets of the Swiss-Garden Hotel Kuala Lumpur early this year will keep the property abreast with new hotels in the city and in time for the "Visit Malaysia Year 2007" promotion next year. Refurbishment of guest rooms and lobby and a new beach restaurant at Swiss-Garden Resort & Spa Kuantan are underway to meet the tourists influx to the east coast of Malaysia next year.

Our Timeshare business continue to do well and has grown from strength to strength with new strategic direction to reinvigorate the service level of the company. It is also targeted at increasing accountability and professionalism through equipping the sales force with a thorough knowledge of the company's products and its operations.

We have expanded vacation destinations for greater variety; each destination carrying its unique theme such as the eco tourism, island & beaches, ancient & historical, suburbs, hill-side and many more.

In line with the "Visit Malaysia Year 2007" campaign which targets to attract 20 million tourists to Malaysia, we are confident and optimistic that the leisure division continue to perform well.



CORPORATE QUALITY AND HUMAN RESOURCE DEVELOPMENT

Our corporate quality and training programs continue to deliver knowledge and skilled programs for employee development to equip them to meet the challenging market environment. The application of quality management system in our organization is strongly emphasized to enhance customer value. In-house training programs as well as relevant outsourced workshops are specially designed to tailor to our Group's various industries employees' development.

OUTLOOK

We look forward to niche development of luxury homes and high-end city dwelling in the urban markets with acquisitions of potential and good return land banks and joint ventures in the pipeline. Our Property and Construction divisions will correspondingly grow in tandem with the country's economic improvements foreseen with the Ninth Malaysia Plan coming into place.

Investments overseas to Thailand and Vietnam are gradually reaping some head way and will give us the impetus for future growth in this region.

"Visit Malaysia Year 2007" will be a booster for our Hotels & Leisure division with the upsurge of tourists to the country. We are optimistic of a continued positive trend in the overall hospitality industry both locally and globally and this will benefit and contribute to better profitability in our hotels, resorts and inns.

Seeking and nurturing new businesses, expansion overseas and research and development are some of the primary strategies of our Manufacturing and Trading divisions in keeping ahead of competition and improving revenue and profits.

Our business strategies and plans will be continuously re-focused and re-assessed periodically to meet with the challenges of rising oil prices, interest rates and cost of raw materials. Barring no unforeseen circumstances, we are forecasting better performance for the financial year 2006/2007 in terms of revenue and profitability for the Group.



CHAIRMAN'S REVIEW

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to take this opportunity to thank all our shareholders for their support and standing by us for the past years. We are also equally grateful to our valued customers, business associates and bankers for their invaluable support and look forward to continued business and closer relationship in the coming years. To the various government and regulatory authorities, our appreciation for their help and guidance. Not forgetting our management team and employees, our heartfelt thanks for their contribution, dedication and commitment.

On behalf of the Board of Directors, I would also wish to thank Dato' Dr Haji Dzulkarnain bin Shafiee for his past services and invaluable contribution as Executive Chairman.

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

MOHAMED ZAIN BIN MOHAMED YUSOFF
Chairman

18 October 2006



Bagi pihak Lembaga Pengarah PJ Development Holdings Berhad, Saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan yang telah di audit bagi Kumpulan dan Syarikat untuk tahun kewangan berakhir 30 June 2006.

ULASAN KEWANGAN

Kumpulan telah mencatat perolehan sebanyak RM487.8 juta bagi tahun kewangan yang dikaji melambangkan peningkatan sebanyak 19% jika berbanding dengan perolehan tahun lepas yang berjumlah RM409.9 juta.

Kumpulan telah mencatat keuntungan sebelum cukai berjumlah RM35.1 juta berbanding RM36.2 juta yang dicatatkan bagi tahun kewangan yang lepas. Aset ketara bersih sesaham bagi Kumpulan pada 30 June 2006 adalah RM1.57.

DIVIDEN

Lembaga Pengarah telah menyokong untuk mendapatkan kelulusan anda bagi bayaran dividen pertama dan akhir sebanyak 4% ditolak cukai pendapatan sebanyak 28% sesaham bagi tahun kewangan berakhir 30 Jun 2006.

ULASAN OPERASI

PEMBANGUNAN HARTANAH

Pembangunan hartanah akan terus diberi tumpuan sebagai teras perniagaan kami dengan menghasilkan produk yang terbaik. Kami yakin bahawa produk-produk baru dalam bidang pembangunan hartanah di beberapa negeri di Malaysia akan memberi pilihan kepada pelabur-pelabur hartanah dan pemilik hartanah untuk menikmati kediaman bercirikan gaya hidup mewah.

HARTAMAS REGENCY 1, pembangunan terunggul kami di Sri Hartamas, telah menawarkan rumah yang selesa bukan sahaja dimiliki oleh rakyat tempatan tetapi juga dari pelbagai warganegara luar dari Eropah, Negara Timur Tengah dan Asia Pasifik.

HARTAMAS REGENCY 2 yang mencatatkan jualan yang memuaskan masih lagi menjadi tarikan sebagai pilihan utama kepada rakyat tempatan dan luar negara. Dengan pelancaran semula Program Malaysia Rumah Kedua oleh kerajaan, kami begitu optimistik untuk menawan pasaran luar negara dengan secara aktifnya mempromosi program ini seiring dengan produk kediaman berkualiti bercirikan gaya hidup mewah kepada bakal pembeli diluar negara.

DUTA KENSINGTON Parkhomes yang siap sepenuhnya adalah pembangunan berprofil tinggi dengan kadar densiti rendah yang mengandungi rumah berhalaman 2½ tingkat dan 3 tingkat telah menerima sambutan yang memberangsangkan. Kediaman di kawasan ini juga dilengkapi dengan ciri-ciri kawalan keselamatan berteknologi tinggi dan kediaman pintar. Konsep yang sama akan digunapakai dalam pembangunan yang dinamakan DUTA KINGSBURY Parkhomes yang mengandungi kediaman 3 tingkat berangkai di Sri Hartamas dan akan dilancarkan pada suku tahun pertama 2007.

IMPIAN MERIDIAN terletak di USJ, Subang Jaya yang merupakan penerokaan baru di Subang Jaya. Ia terletak di tanah pegangan bebas seluas 2.71 ekar dengan kadar pembangunan kasar diramal bernilai RM158 juta. Pembangunan ini termasuk kedai, suite pejabat dan suite kediaman.

Pembangunan di HARBOUR PLACE, projek bersepadu tunggal di Butterworth kini sedang rancak dibangunkan. Berikutnya Sea View Tower akan dilancar, kondominium mewah yang mempunyai 354 unit kondominium dengan 4 jenis rekabentuk istimewa dan lot kedai.

Di Kuantan, Pahang kejayaan pembangunan projek BUKIT ISTANA adalah memberangsangkan. Pembangunan fasa akhir di Bukit Istana adalah rumah berkembar dan banglo dengan kadar pembangunan kasar diramal bernilai RM62 juta.

Di Selatan tanahair, pembangunan projek Taman Putri Kulai sudah hampir ke penghujungnya. Kini pembangunan terbaru di Johor iaitu tanah seluas 35 ekar berhampiran Taman Universiti. Dengan anggaran kadar pembangunan kasar bernilai RM90 juta, pembangunan ini mengandungi 190 unit rumah berkembar berpagar dan akan dilancarkan pada suku tahun pertama 2007.

Divisyen hartanah, secara aktif sedang memperbanyakkan bank tanahnya dilokasi strategik, sama ada dengan cara perolehan terus ataupun usaha sama. Kami akan terus berusaha kearah kecemerlangan bagi semula pembangunan hartanah kami.

PEMBINAAN

Sepanjang tahun kewangan yang ditinjau, divisyen pembinaan telah menyiapkan beberapa projek di Lembah Kelang, Pahang dan Pulau Pinang. Disebabkan aktiviti bida dan tekanan harga yang intensif divisyen pembinaan lebih selektif dalam membuat bidaan tender. Divisyen ini berjaya meningkatkan pesanan sebanyak RM77 juta bagi tahun kewangan ditinjau dan ini menjadikan pesanan terkumpul sebanyak RM477 juta.



Divisyen ini juga meneroka peluang ke negara Thai pada tahun kewangan ditinjau dan dapat memperoleh pembinaan rumah kediaman sebanyak 5600 unit daripada National Housing Authority of Thailand, yang iaitu sebuah badan separa kerajaan. Projek dalam tangan bernilai lebih kurang RM220 juta yang mengambil masa sehingga tahun 2009.

Kami beroptimistik terhadap peluang-peluang yang wujud di pasaran tempatan dan luar negara. Dengan pembentangan Rancangan Malaysia Kesembilan, jika dibandingkan dengan sektor lain, sektor pembinaan akan lebih bermanfaat. Oleh itu, kami lebih aktif dalam mencari peluang untuk mengembangkan dan mencapai keuntungan yang lebih banyak dengan mempraktikkan kawalan kos efektif supaya dapat berdepan dengan cabaran pada tahun yang akan datang.

PENGELUARAN DAN PERDAGANGAN

Kabel-Kuasa

Industri kabel di Malaysia semakin memainkan peranan yang penting sejak tahun kewangan yang lepas kerana kapasiti penggunaan yang baik. Divisyen ini, yang mendapat manfaat dari keadaan pasaran yang baik, mencapai rekod dalam perolehan dan keuntungan, walaupun harga bahan yang melambung tinggi. Usaha-usaha promosi dijalankan di Vietnam dua tahun lepas juga mencatat rekod baik bagi jualan ekspot.

Rancangan Malaysia Kesembilan dijangka memberi kesan yang positif kepada industri ini. Corak pasaran kini dijangka berterusan dan disebalik perkara di luar jangkaan keputusan serupa dapat dijangka.

Syarikat telah melancarkan sejenis produk baru iaitu kabel kalis api. Produk ini menerima respon baik di pasaran domestik dan ekspot. Kami merancang untuk memperkenalkan kabel khas ini pada masa akan datang bagi meningkatkan margin yang lebih baik.

Bagi tahun kewangan akan datang, pembinaan kilang baru di Vietnam akan dijalankan. Kami telah membeli tanah perindustrian yang seluas 10 ekar di Vietnam dan sedang membuat reka bentuk kilang, pembinaan dan pembelian mesin untuk kilang baru. Ia jangka beroperasi dalam suku tahun kedua 2007. Kemudahan ini akan meningkatkan lagi saiz ekspot Vietnam yang sedia ada.

Panel Dinding Konkrit dan Jubin Atap

Divisyen panel dinding konkrit dan jubin atap kami menunjukkan prestasi yang baik di dalam tahun kewangan yang ditinjau. Divisyen ini akan terus berusaha untuk meneroka pasaran domestic dan Singapura walaupun berdepan dengan

persekitaran persaingan yang kompetitif di dalam industri pembinaan kesan daripada kenaikan harga minyak dan kadar feadah.

Dengan usaha yang berterusan di dalam penyelidikan dan pembangunan serta kemajuan berterusan bagi semua aspek pengeluaran, kami berkeyakinan bahawa kualiti dan kos produk kami yang kompetitif akan terus berdaya maju.

Panel dinding Acotec mendapat sambutan baik sebagai sistem bangunan didalam industri pembinaan kerana sokongan kerajaan mempromosi Sistem Pembinaan Bersepadu (IBS) bagi industri ini.

Pelaksanaan Rancangan Malaysia Kesembilan bagi tahun separuh akhir 2006, kami beroptimistik terhadap kemajuan yang dicapai bagi panel dinding konkrit dan jubin atap divisyen kami bagi tahun kewangan depan.

Perdagangan Bahan

Divisyen perdagangan bahan kami mampu memainkan peranan yang baik walaupun menghadapi peningkatan harga bahan mentah dan kos pengangkutan serta keadaan sektor kerja pembinaan yang terhad dalam jangka masa yang ditinjau. Kami sedang berusaha untuk mempelbagaikan produk yang sedia ada, dengan mencari peluang kerjasama dengan pengilang dari luar negara supaya kami dilantik sebagai pengedar produk eksklusif tempatan.

HOTEL DAN REKREASI

Divisyen hotel menunjukkan prestasi yang lebih baik bagi tahun 2005/2006, dengan pencapaian mengatasi bajet dan juga keuntungan bersih operasi bagi tahun kewangan yang lepas. Keputusan yang cemerlang telah dicapai kerana kesan daripada ekonomi tempatan yang stabil justeru kedatangan pengunjung-pengunjung ke Malaysia semakin meningkat telah memberi manfaat kepada hotel di Lembah Kelang termasuk Swiss-Garden Hotel Kuala Lumpur dan Swiss-Inn Kuala Lumpur di Chinatown. Pengurusan hasil dan pengurusan kawalan kos yang baik telah mempertingkatkan kadar semasa bilik dan memberi sumbangan kepada keuntungan.

Pengubahsuaian telah dibuat pada lobi dan restoran Swiss-Garden Hotel Kuala Lumpur pada awal tahun setanding dengan hotel baru dalam bandar dan ianya bertepatan sempena "Tahun Melawat Malaysia 2007". Pengubahsuaian semula di bilik, lobi dan pembinaan restoran pantai di Swiss-Garden Resort & Spa Kuantan sedang giat dijalankan dalam persediaan menyambut kebanjiran pengunjung-pengunjung ke Pantai Timur Malaysia pada tahun depan.



Divisyen kongsi-masa kami terus menunjukkan prestasi dan peningkatan yang baik sejajar dengan visi strategik baru bagi meningkatkan mutu perkhidmatan syarikat. Ia juga memberi tumpuan untuk meningkatkan akauntabiliti dan kepakaran dengan melengkapi pasukan jualan menerusi pengetahuan produk dan operasi syarikat.

Kami telah mempelbagaikan pilihan destinasi percutian dan setiap destinasi ada tema unik tersendiri seperti eco-pelancongan, pulau dan pantai yang kuno dan bersejarah, pinggir bandar, bukit dan banyak lagi.

Selaras dengan promosi “Tahun Melawat Malaysia 2007” untuk menarik pelawat yang dijangka seramai 20 juta, divisyen kongsi-masa berkeyakinan dan beroptimistik untuk terus kekal cemerlang.

KUALITI KORPORAT DAN PEMBANGUNAN SUMBER MANUSIA

Kualiti korporat dan program latihan kami yang dijalankan secara berterusan untuk menyampaikan pengetahuan dan program terlatih bertujuan untuk pembangunan pekerja supaya melengkapi mereka kepada persekitaran pasaran yang mencabar. Aplikasi sistem pengurusan berkualiti di organisasi kami dititikberatkan untuk meningkat nilai pelanggan. Program latihan dalaman dan kursus luaran yang berkaitan adalah dirancang khusus untuk keperluan pekerja dari pelbagai industri.

TINJAUAN

Kami berusaha untuk menghasilkan pembangunan rumah bersiri mewah dan bandar berprestasi tinggi dengan pembelian bank tanah yang berpotensi dan projek usahasama. Divisyen hartanah dan pembinaan kami akan berkembang bersama-sama sejajar dengan kemajuan ekonomi negara yang berlandaskan kepada Rancangan Malaysia Kesembilan. Pelaburan luar negara iaitu ke negara Thai dan Vietnam yang semakin meningkat akan memberi perolehan yang lebih baik di rantau ini pada masa hadapan.

“Tahun Melawat Malaysia 2007” merupakan pendorong kepada divisyen hotel dan rekreasi kami kerana kedatangan pelancong beramai-ramai ke Negara ini akan meningkat. Kami beroptimistik terhadap perkembangan positif yang berterusan di seluruh industri hospitaliti tempatan dan antarabangsa. Ini akan memberi manfaat dan sumbangan yang lebih baik kepada keuntungan hotel dan resort kami.

Divisyen pengeluaran dan perdagangan kami mempunyai beberapa strategi asas seperti mencari dan meneroka perniagaan baru, perkembangan perniagaan luar negara dan penyelidikan serta pembangunan untuk menerajui persaingan dan meningkatkan hasil dan keuntungan.

Strategi dan rancangan perniagaan kami akan menfokus semula dan menilai semula secara berkala untuk menghadapi cabaran dari peningkatan harga minyak, kadar faedah dan kos bahan mentah. Kami berkeyakinan untuk menghadapi persaingan dan menemui objektif-objektif strategi perniagaan pada tahun kewangan akan datang.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengambil kesempatan ini untuk mengucapkan ribuan terima kasih kepada pemegang saham diatas sokongan mereka yang sentiasa berada di sisi kami selama ini. Kami juga menghargai sokongan yang tidak ternilai daripada pelanggan yang dihargai, rakan perniagaan dan pihak bank dan berharap bagi meneruskan perniagaan dan hubungan erat pada tahun akan datang. Kami juga merakamkan penghargaan setinggi-tinggi terhadap kerajaan dan pihak berkuasa dalam memberi bantuan dan panduan mereka. Juga kami tidak lupai iaitu pasukan pengurusan dan pekerja-pekerja kami, oleh itu dengan sepenuh hati, kami mengucapkan terima kasih atas sumbangan, dedikasi dan komitmen yang telah diberi.

Bagi pihak Lembaga Pengarah, saya juga ingin mengucapkan ribuan terima kasih kepada Dato’ Dr Haji Dzulkarnain bin Shafiee atas perkhidmatan cemerlang dan sumbangan yang tidak ternilai ketika bertugas sebagai Pengerusi Eksekutif.

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

MOHAMED ZAIN BIN MOHAMED YUSOFF

Pengerusi

18 Oktober 2006



董事主席报告

本人欣然代表辟捷发展控股有限公司提呈公司和集团截至2006年6月30日为止的财政年度之常年报告及已核审的财务报告。

财务检讨

在受检讨之财政年度里，本集团创下4亿8千7百80万令吉的营业额，比去年之4亿零9百90万令吉增加了19.0%。

集团之税前盈利高达3千5百10万令吉，去年之税前盈利则高达3千6百20万令吉。截至2006年6月30日为止，集团每股净有形资产为1.57令吉。

股息

董事部建议截至2006年6月30日的年度财政派发4%每股需扣28%所得税的首期及终期股息，唯此建议有待股东批准。

业务检讨

产业发展组

产业发展仍是本集团核心业务，产业组需继续努力提供优质房产。我们期盼着本集团在全国各地新开拓的产业计划，及所提供的多样化豪华家居，可满足精明的投资者及业主的需求。

我们位于Sri Hartamas的首开拓发展计划，HARTAMAS REGENCY 1 如今不只是本地人士的舒适家园，也广受国际投资者的青睐，例如欧洲，中东和亚太区等。HARTAMAS REGENCY 2 的出售率令人鼓舞，将继续成为国内外投资者首选。由于政府再度推行“马来西亚第二家园”计划，辟捷发展控股有限公司对于开发国外市场拥有绝对的信心。我们有着一连串的宣传计划，以便能为有潜能外国购屋者推销我们的产品，提供他们更多豪华生活方式的选择。

位于Sri Hartamas的大使京士顿园林家居(DUTA KENSINGTON Parkhomes)，是一项低密集和高尚房屋概念的发展计划。这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。紧接着这股热潮，我们计划推出相同概念的大使京士布利园林家居(DUTA KINGSBURY Parkhomes)三层楼超级双连房屋，预计在2007年首季正式推介。

我们也开拓了位于梳邦再也USJ的凯苑城(IMPIAN MERIDIAN)。占地2.71英亩的IMPIAN MERIDIAN拥有永久性地契，预计耗资总值1亿5千8百万令吉。IMPIAN MERIDIAN的发展单位包括了商店，办公室以及家居房屋。

位于北海的滨港城(HARBOUR PLACE)是北海境内其中之一合并式产业发展的先驱。兴建中的海景阁(Sea View Tower)，是拥有354个单位的共管公寓，共有4种独特设计和商店供选择。

彭亨州关丹皇宫岭(BUKIT ISTANA)的发展获得投资者的热烈反应。我们已开始皇宫岭最后一期半独立式和独立式洋房的发展，这项计划预计耗资总价6千2百万令吉。

位于南部柔佛的古来公主城(Taman Putri Kulai)发展计划已接近尾声。我们新的计划将是毗邻大学城(Taman Universiti)一片占地35英亩的发展土地。这项投资9千万令吉的发展计划，将拥有190间半独立式洋房的围篱守卫家居，预计在2007年首季推介。

产业发展组将继续通过直接购入或企业合并的方式，在适合的地点，增购地库。

建筑组

在过去的一年，建筑组完成了数项位于巴生谷流域，彭亨和檳城的工程。由于受到投标激烈的竞争和市场价格压力所影响，建筑组在选择投标工程的时候也格外小心。尽管如此，建筑组还是成功地把工程订单提升至7千7百万令吉，令建筑组总订单的数目达至4亿7千7百万令吉。





在受检讨之财政年度里，建筑组成功开拓了泰国市场。在泰国国家房屋管理机构授权之下，我们获得了承建超过5千600个单位的住宅房子。这项价值大约2亿2千万令吉的计划将持续至2009年。

对于前景，我们对本地或国际市场所提供的机会均感乐观。紧接大马第九计划的公布，建筑业从中受益良多。我们将致力于寻求更多拓展业务的机会，争取更高的利润，然后再有效地控制成本，以面对未来的挑战。

制造业与贸易组

电缆

截至去年的财政年度，电缆业在马来西亚获得强势发展，并得到很高的生产量。尽管面对铁价上升的问题，电缆组也不落后，成功在这兴起的市场获得好处，创下了令人鼓舞的营业额和利润。两年前在越南的投资也带来了更多出口额。

即将推行的第九计划预计将会为电缆业带来积极的效应。电缆现有的需求市场预计不会产生巨大的变化。如无意外，预计中的业绩还是可以达至的。

我们公司也推出了一项名为防火电缆(Fire Resistant Cables)的新产品。这些产品在本地和国际市场都获得不错的反应。我们计划在未来推出更多专用的电缆，以增加电缆的选择来提升公司的盈利。

在未来的财政年度，我们计划在越南增设工厂。我们已经在越南收购了10英亩的工厂土地，并开始着手新工厂的设计、建设和购置机器。新工厂预计在2007年的次季投入生产。这项计划将会增加我们在越南的电缆出口量。

混凝墙板与屋瓦

回顾过去一年的财政年度，混凝墙板与屋瓦组的表现获得了提升。尽管国际石油价格和利息的提升，让建筑业陷入更激烈的竞争，但我们依然在本地和新加坡的主要市场各占一席位。

我们不遗余力为产品的各方面进行研究与开发，因为我们深信产品的品质可获得提升，从而提供更具竞争力的价格。

Acotec混凝墙板逐渐被建筑界认为是最有成本效益的建筑系统，随着政府大力推广综合性建筑系统，这将会更上一层楼。

大马第九计划确实为2006年下半季带来很大的正面冲击，我们相信混凝墙板与屋瓦的表现可获得提升，并在下一个财政年度交出更好的成绩。

建材贸易

尽管原料价格和运输费不断增加，建筑业也陷入低潮，但我们建材贸易组的表现依然获得提升。我们将会继续努力扩大现有产品的种类，建材贸易组也会继续与国外的厂商合作，以成为某些产品在本地唯一的供应商。

酒店与休闲

酒店组在2005/2006年的表现有所改进，除了低于预算的开支以外，盈利也获得提升。能够获得这样的成果，稳定的区域经济扮演着重要的角色，唯有这样才能够吸引更多的游客。游客的到来受益最大的莫过于巴生谷地区的酒店，我们位于吉隆坡的瑞园酒店以及茨厂街的瑞园旅馆也从中受益。此外，我们也提供最佳的服务管理，让酒店的入住率上升。管理层有效地控制成本也有利于账本底线的控制。

我们在较早前为吉隆坡瑞园酒店的大厅和餐厅进行了刷新工程，这次的工程让瑞园酒店与市内其它新酒店拥有同样的等级，同时也为明年“2007年马来西亚观光年”的宣传做好准备。为了能够在明年满足东海岸游客的需求，关丹瑞园度假村开始刷新所有的宾客房、大厅和设计全新的海滩餐厅。



董事主席报告

通过我们全新的策略方针，时光分享所提供的服务水平将会获得振兴，让公司继续取得成长。我们同时也设定目标，希望通过各方面的训练，包括详细的产品知识及公司的运作，让销售团队更加专业及具责任感。

我们也会增加旅游景点，以让游客有更多的选择。每一个景点都拥有本身的特点，就如大自然、岛屿与沙滩、古迹与历史圣地、郊区和高原等等。

由于“2007年马来西亚旅游年”能够吸引多达2千万游客到马来西亚观光，所以我们对于旅游组能够取得更好的成绩感到有信心和乐观。

企业质量与人力资源发展

为了能够迎合市场环境的挑战，本集团将会继续为员工提供培训计划，增加员工的知识，协助集团继续前进。我们企业质量系统的最终目的就是为顾客提供最佳的服务。除了提供内部的训练以外，我们也让员工参与额外的讨论会或者工作坊，尤其会对集团不同工业的员工，度身订造不同的培训计划。

展望

我们将会拥有潜能和回酬高的城市土地，发展豪华型和独特的房子，当然我们也会进行企业合并的方式进行这些计划。在大马第九计划之下，我们预计集团产业与建筑小组将会在前后获得提升。另外，在泰国和越南的投资也会获得不错的回酬。

“2007年马来西亚旅游年”将会刺激整个国家的旅游业，所以我们的酒店与休闲业也将会受益不浅。整体上来说这个服务行业无论在国内或者海外将会呈现出乐观的情形，我们集团的酒店和度假村也会获得更好的回报。

为了确保制造业与贸易组能够提升竞争力和增加收益，我们计划寻找和开创新的业务，扩展海外市场和更加注重于研究与发展。

尽管面对着石油价格、利息和原料价格提升的不利因素，但我们依然会继续进行所有的商业策略和计划。我们有信心能够跨越前面的障碍，使用我们的商业策略来达致明年度财政年的目标。

鸣谢

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

本人也趁此机会代表董事局感谢前执行主席 Dato' Dr Haji Dzulkarnain bin Shafiee 在过去不遗余力的服务与贡献。

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。

MOHAMED ZAIN BIN MOHAMED YUSOFF
主席

2006年10月18日



ENCIK MOHAMED ZAIN BIN MOHAMED YUSOFF

a Malaysian, aged 61.

He joined the Board of Directors of the Company on 26 August 2005 as an Independent Non-Executive Director. He was appointed as Non-Executive Chairman on 25 August 2006. 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.

MR WONG AH CHIEW

a Malaysian, aged 58.

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 1 September 1973 to 31 August 1982.

Upon leaving public service, he was appointed to the Board of Directors of Dindings Consolidated Sdn. Bhd., a property development company 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 26 years experience in property development of residential and commercial projects, having previously held a managing director position in a public listed property development company.

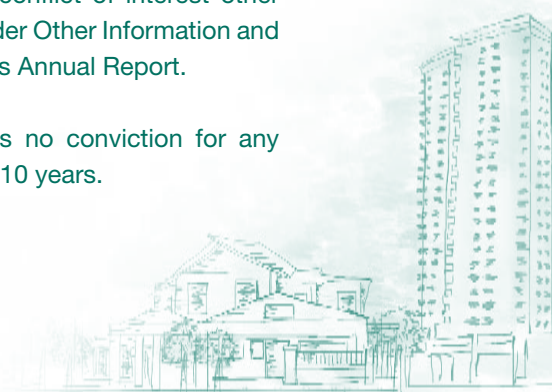
He is currently a director of Willowglen MSC Berhad, a company involved in research, development and supply of computer-based control systems.

Mr Wong Ah Chiew is a member of several committees namely, Executive Committee, Audit Committee, Tender Committee 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 51.

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, 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 54.

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 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.



MR YAP YOON KONG
a Malaysian, aged 49.

He is the Executive Director of the Company and was appointed to the Board of Directors on 13 January 2006.

He holds a Bachelor of Accounting (Honours) degree from University Malaya, and a Master of Business Administration from the Cranfield Institute of Technology, United Kingdom. He is a Chartered Accountant with the Malaysian Institute of Accountants and also a Senior Associate Member of the Institute of Bankers Malaysia.

He has vast experience in the field of banking, financial and management accounting, financial analysis, corporate affairs, budgeting and cashflow forecasting and tax planning. He has held positions as Financial Controller of other public listed companies and Deputy Manager of a large commerce banking group.

He is currently a member of the Executive Committee, Tender Committee, Corporate Announcement and Compliance Committee and Risks Management Committee.

He does not hold any securities in the Company.

Mr Yap Yoon Kong 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 Yap Yoon Kong has no conviction for any offences within the past 10 years.

DATO' DR HAJI DZULKARNAIN BIN SHAFIEE
a Malaysian, aged 70.

He joined the Board of Directors of the Company on 18 September 1987 and was appointed Executive Chairman in 1990. He resigned as Executive Chairman and Executive Director in 2005 but remained as Non-Independent Non-Executive Director.

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.

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.



PROFILE OF DIRECTORS

DATO' MOHAMED TARMIZI BIN MOHD TAHIR

a Malaysian, aged 70.

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 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 the Jengka Development Corporation, 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 59.

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 54.

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, 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.



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.

During the financial year, five meetings were held and details of attendance of each member are as follows:

Committee Members	Attendance of Meetings
Independent	
Au Chun Choong (Chairman)	5/5
YM Ungku Haji Mohd. Afandi Bin Suleiman	5/5
Dato' Mohamed Tarmizi Bin Mohd. Tahir	3/5
Non-Independent	
Wong Ah Chiew	5/5

The Finance Director and Head of Internal Audit attended the meetings with the Company Secretary in attendance. During the financial year under review, one meeting was held with the Group's External Auditors without the presence of the Executive Board members to brief the Audit Committee on any special issues arising from the annual audit of the Group.

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 audit, the audit report and management letter, including the Management's response to the findings of the External Auditors.
- ii) Reviewed the audit plan and scope of Internal Audit work including the authority, proficiency and adequacy of resources to carry out its function.
- iii) Reviewed the internal audit reports, findings and recommendations and the Management's response. Where appropriate, the Audit Committee has directed actions to be taken by the Management to rectify and improve the system of internal controls identified in the internal audit reports.
- iv) Reviewed all statutory financial statements and quarterly unaudited financial results prior to announcements to ensure the Group is in compliance with accounting standards and legal and regulatory requirements.
- v) Reviewed the related party transactions entered into by the Group.
- vi) Reviewed the adequacy of risk management process to identify significant risks that may materially affect the achievement of Group's strategic business and operational objectives and that the control system is in place to monitor and manage these risks.





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 on the adequacy and effectiveness of the Group's system of internal control.

The internal audit covers the review of the adequacy of risk management, financial and 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

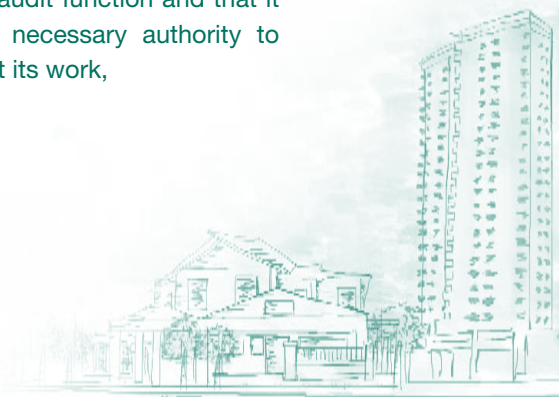
The Committee shall:

- 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.

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 function and that it has the necessary authority to carry out its work,



AUDIT COMMITTEE REPORT

- 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 function,
 - 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, procedure 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 auditor(s).



CORPORATE GOVERNANCE STATEMENT

The Board of Directors of PJ Development Holdings Berhad (“The Board”) recognizes the importance of good corporate governance by maintaining high standards of transparency, accountability and integrity. The Board is committed and will continuously adopt and implement the Best Practices of the Code, wherever applicable in the best interests of the shareholders.

The Board is pleased to report to 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 DIRECTOR

1.1 Board Responsibilities

The Board plays a primary role in corporate governance by providing the strategic direction of the Group for long term sustainable growth and profitability and enhancing shareholders’ value.

1.2 Board Balance

The Board consists of nine (9) members, comprising a Non-Executive Chairman, four (4) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors.

Mr Yap Yoon Kong was appointed to the Board on 13 January 2006 as an Executive Director. Encik Mohamed Zain bin Mohamed Yosoff was appointed Non-Executive Chairman of the Company on 25 August 2006.

The Company is in compliance with the Listing Requirements of the Bursa Malaysia which requires 1/3 of the Board members to comprise independent members. 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.

The Chairman ensures the orderly conduct and effective running of the Board while the Managing Director manages the Group’s day-to-day activities in achieving corporate and business objectives.

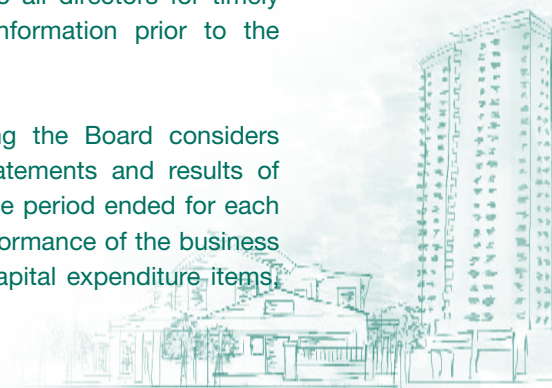
In the opinion of the Board, the appointment of a senior independent non-executive director to whom concerns may be conveyed is not necessary. The Board operates in an open environment in which information is freely exchanged and in these circumstances any concern need not be focused on a single director as all members of the Board fulfill this role collectively.

The Independent Directors provide unbiased views and impartiality to the Board’s discussion and decision making and are satisfied that the interests of all shareholders are fairly represented at Board deliberations.

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,



CORPORATE GOVERNANCE STATEMENT

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 2005/2006.

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

Executive Directors	Attendance of Meetings
Wong Ah Chiew	4/4
Wong Chong Shee	4/4
Khor Chai Moi	4/4
Yap Yoon Kong (appointed on 13.01.2006)	1/2

Non-Executive Directors	Attendance of Meetings
Dato' Dr Haji Dzulkarnain bin Shafiee	3/4
Dato' Mohamed Tarmizi bin Mohd Tahir	2/4
YM Ungku Haji Mohd Afandi bin Suleiman	4/4
Au Chun Choong	4/4
Mohamed Zain Bin Mohamed Yusoff (appointed on 26.08.2005)	3/3

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 and their 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 Non-Executive Directors and one (1) 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 one (1) corporate management officer meet regularly to ensure the tendering processes are fairly and properly conducted.



Corporate Announcement and Compliance (“CAC”) Committee

The CAC Committee comprises five (5) members, of which three (3) are Executive Directors and two (2) corporate management officers. The Committee is authorized 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

Seven (7) members of this Committee comprising two (2) Executive Directors, one (1) Independent Non-Executive Director and four (4) corporate management officers meet on a quarterly basis to review the adequacy of risks 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.

1.4 Directors’ Training

All Directors have attended and completed the Mandatory Accreditation Program (MAP) as prescribed by the Listing Requirements of the Bursa Malaysia.

In line with the requirement in the amendment to Practice Note 15/03 effective 1st January 2005 which states that the Board of Directors shall be responsible for determining the training needs of the Board members, all Board members have attended relevant training, seminars and workshops in the financial year under review. The courses covered areas in IT Governance, Performance Management, Tax Audit and Investigation, Challenges in the changing Real Estate environment and Hotel Investment.

1.5 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.

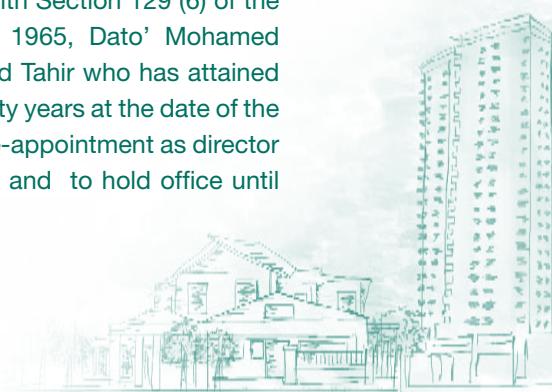
Directors from time to time visit locations of branches, factories and projects to have a thorough understanding of the operations.

1.6 Re-election Of Directors

In accordance with the Company’s Articles of Association, the Directors, including the Managing Director shall retire from office at least once in three (3) years but shall be eligible for re-election. Mr Wong Ah Chiew, the Managing Director will retire and seek re-election at this coming Annual General Meeting (AGM). Any additional director appointed during the year shall retire at the next AGM of the Company. There was one director appointed during the year under review after the last AGM and will retire and seek re-election at this coming AGM.

1.7 Re-appointment of Director over 70 years of age

In compliance with Section 129 (6) of the Companies Act 1965, Dato’ Mohamed Tarmizi Bin Mohd Tahir who has attained the age of seventy years at the date of the AGM will seek re-appointment as director of the Company and to hold office until the next AGM.



CORPORATE GOVERNANCE STATEMENT

2. DIRECTORS' REMUNERATION

The remuneration package of the Directors are as follows:

i) Aggregate Remuneration

Remuneration	Executive Directors	Non-Executive Directors	Total
Fees	32,000	49,000	81,000
Directors' salary, other Emoluments and Benefits	2,490,334	*112,586	2,602,920
Allowances	-	4,200	4,200

* *Dato' Dr Haji Dzulkarnain bin Shafiee's remuneration as Executive Director is from 01.07.2005 to 31.12.2005.*

ii) Analysis of Remuneration

Range of Remuneration	No. of Directors	
	Executive	Non-Executive
< RM50,000		4
RM100,001 – RM150,000	1	**1
RM700,001 – RM750,000	1	
RM 750,001 – RM800,000		
RM800,001 – RM850,000	1	

** *Dato Dr. Haji Dzulkarnain bin Shafiee's remuneration as Executive Director and Non-Executive Director.*

3. SHAREHOLDERS

3.1 Dialogue between Company and Investors

The Group recognizes 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 2006, 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

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investment and the companies' assets. Under the provisions of the Bursa Malaysia Listing Requirements, para 15.27(b), the Board of Directors of a listed company are to include in its Annual Report a statement on the state of Group's internal control.

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 under review.

Board Responsibility For Risk Management and Internal Control

The Board recognises the importance of a sound system of internal control and quality risk management practices for good corporate governance. The Board acknowledges its responsibility for the Group's system of internal control and risk management system and for reviewing the adequacy and integrity of these systems. However, it should be noted that such system can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management

The Board and the Audit Committee had established the Risk Management Committee (RMC) to oversee the potential risks concerning the business and operations to ensure that they are effectively managed including reporting the concerns to the Board and the Audit Committee.

The risk management process is a process of continual identification, evaluation, monitoring and reporting of risks throughout the Group. Risk avoidance, mitigation or recovery plans are developed and monitored as are necessary to manage significant risks that may materially affect the achievement of the Group's strategic business and operational objectives for the financial year under review.

RMC meets quarterly. All risk management reports submitted are reviewed by Internal Audit for evaluating the effectiveness of and recommending improvements to risk management. RMC ensures:

- Emerging significant divisional risks are communicated to the Board.
- Key risks are prioritized in terms of probability and impact.
- The risk management process is reviewed, revised and updated as necessary.

Risk awareness training and risk register documentation is an essential part of the Group's internal training for its executives.

Internal Audit

The Group's Internal Audit Department examines the effectiveness of the Group's system of internal control, risk management process and compliance framework. It performs regular reviews of key business processes and also conducts audit visits to the key business units of the Group according to the internal audit plan which has been approved by the Audit Committee.

The Audit Committee reviews reports on all audits performed and ensures Management takes prompt and adequate corrective actions on the reported weaknesses and non-compliances identified in the audit.



Control Structure and Environment

The Board is committed to maintaining a strong control structure and environment for the proper conduct of Group's business operations. The following control structure and environment are in place:

- The full Board meets quarterly and has set a schedule of matters, which is required to be brought to its attention for discussion, thus ensuring that it maintains full and effective supervision over the Group's activities.
- A management structure exists with formally defined lines of accountability and appropriate approving 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 various committees highlighted in the Corporate Governance Statement of this Annual Report.
- The Group performs a comprehensive annual budgeting and target setting processes including development of business strategies for each area of business with detailed reviews at all levels of operation. Divisional Directors meet monthly with management of business units to review operational, business

development and financial performance. In addition, quarterly Business Performance Review is held between the Executive Committee and Senior Management of the respective businesses to critically review the business performances against the budget, to assess opportunities and to approve business strategies identified by the Management.

- 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.
- Policies, procedures and guidelines are in place to guide staff on proper procedures. All significant expenditure of capital, operational and investment nature are properly evaluated and approved by the Executive Committee.

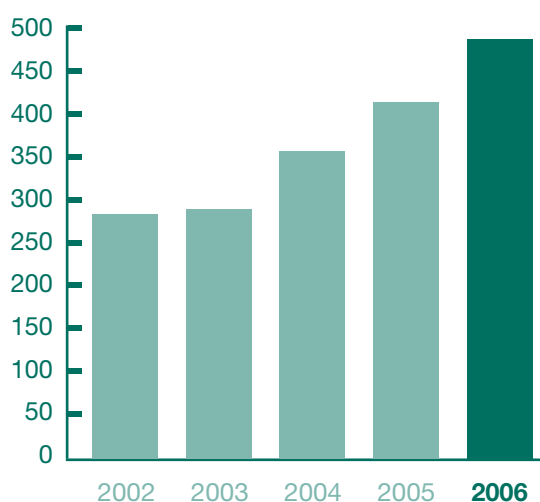
The Board is of the view that the existing system of internal control is adequate and effective and will continue to be reviewed, expanded and/or updated in line with the changes in the business environment. There are presently no significant internal control problems and no material losses were incurred during the financial year as a result of weaknesses in internal control.



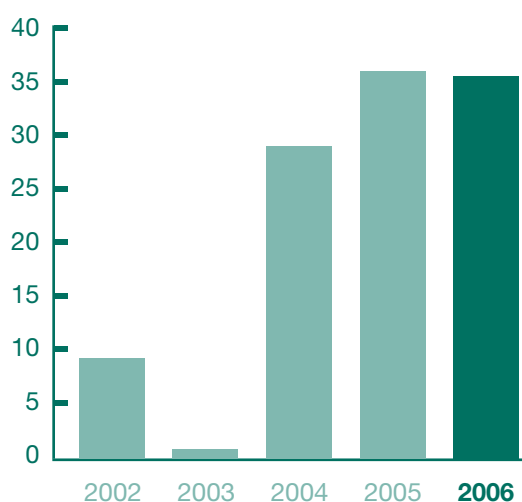
FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR END (RM Million)	June 2006	June 2005	June 2004	June 2003	June 2002
Revenue	488	410	354	286	285
Profit Before Tax	35.1	36.2	29.0	1.0	9.0
Profit/(Loss) After Tax and After Minority Interests	28.5	27.6	19.5	(2.0)	4.5
Paid-up Capital	456	456	456	456	456
Shareholders' Funds	725	706	711	731	737
Basic Earnings/(Loss) Per Share (sen)	6.3	6.1	4.3	(0.5)	1.0
Dividends Per Share (sen)	4.0	4.0	4.0	1.0	1.0
Net Tangible Assets Per Share (RM)	1.57	1.53	1.54	1.59	1.60

REVENUE
(RM Million)

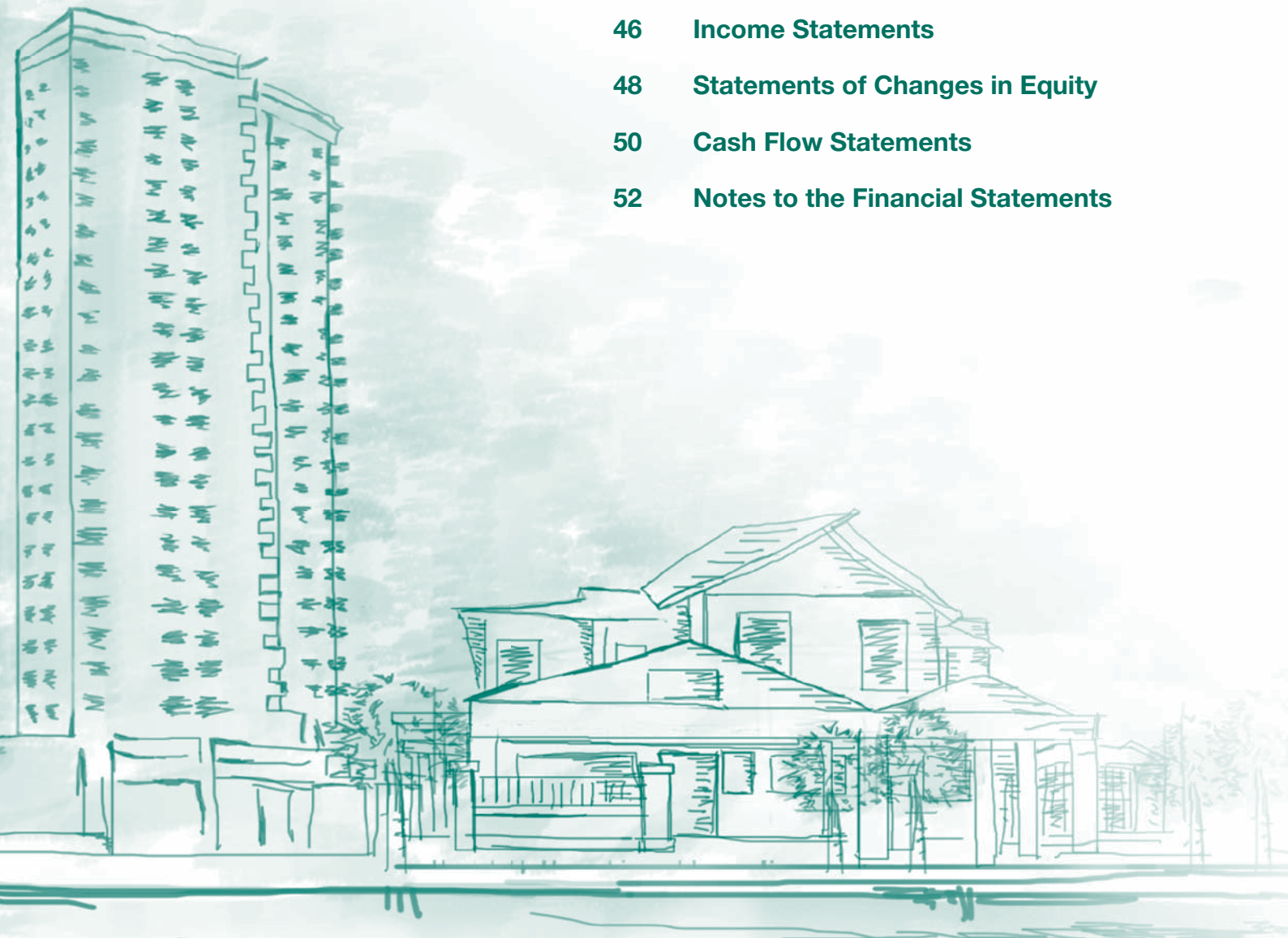


PROFIT BEFORE TAXATION
(RM Million)



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

for the year ended 30 June 2006

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 2006.

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	28,539	15,429

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 a final dividend of 2% less tax at 28% totalling RM6,568,000 in respect of the year ended 30 June 2005 on 11 January 2006.

The Directors recommend a first and final dividend of 4% less tax at 28% totalling RM13,137,000 for the current financial year.

DIRECTORS OF THE COMPANY

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

Mohamed Zain bin Mohamed Yusoff
Wong Ah Chiew
Wong Chong Shee
Khor Chai Moi
Dato' Dr. Haji Dzulkarnain bin Shafiee
Dato' Mohamed Tarmizi bin Mohd. Tahir
YM Ungku Haji Mohd. Afandi bin Suleiman
Au Chun Choong
Yap Yoon Kong (appointed on 13 January 2006)



DIRECTORS OF THE COMPANY (CONT'D)

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:

Company	Number of ordinary shares of RM1.00 each			At 30.6.2006
	At 1.7.2005	Bought	Sold	
Direct interest:				
Wong Ah Chiew	2,376,000	-	-	2,376,000
Wong Chong Shee	1,300,000	-	-	1,300,000
Khor Chai Moi	15,698,121	889,600	-	16,587,721
Dato' Dr. Haji Dzulkarnain bin Shafiee	64,000	4,000	(34,000)	34,000
Indirect interest:				
Wong Ah Chiew **	90,180,281	100,000	-	90,280,281
Khor Chai Moi ***	111,183,486	100,000	(889,600)	110,393,886
Dato' Dr. Haji Dzulkarnain bin Shafiee *	53,000	-	(53,000)	-

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 30.6.2006
	At 1.7.2005	Bought	Sold	Expired	
Direct interest:					
Wong Ah Chiew	1,135,890	-	-	(1,135,890)	-
Khor Chai Moi	65	-	-	(65)	-
Dato' Dr. Haji Dzulkarnain bin Shafiee	108,708	-	-	(108,708)	-
Indirect interest:					
Wong Ah Chiew ****	7,468,234	-	(7,468,200)	(34)	-
Khor Chai Moi *****	7,468,380	-	(7,468,200)	(180)	-

The Warrants A expired on 7 November 2005.



DIRECTORS' REPORT

for the year ended 30 June 2006

DIRECTORS OF THE COMPANY (CONT'D)

Company	Number of Warrants B			At 30.6.2006
	At 1.7.2005	Bought	Sold	
Direct interest:				
Wong Ah Chiew	402,000	-	-	402,000
Wong Chong Shee	33	-	-	33
Khor Chai Moi	8,581,199	210,000	-	8,791,199
Dato' Dr. Haji Dzulkarnain bin Shafiee	4,000	-	-	4,000
Indirect interest:				
Wong Ah Chiew ****	31,593,392	-	-	31,593,392
Khor Chai Moi ***	36,538,862	-	(210,000)	36,328,862

* 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. 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 member

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 1.7.2005	Bought	Sold	At 30.6.2006
Damai Laut Golf Resort Sdn. Bhd.	29,500,000	-	-	29,500,000
Swiss-Garden Rewards Sdn. Bhd.	70,000	280,000	-	350,000

	Number of ordinary shares of 10.00 Thai Baht each			
	At 1.7.2005	Bought	Sold	At 30.6.2006
PJDCI Co., Ltd.	242,500	-	-	242,500
PJDC Co., Ltd.	14,925,000	-	-	14,925,000



DIRECTORS OF THE COMPANY (CONT'D)

	Number of redeemable preference shares of RM1.00 each			At 30.6.2006
	At 1.7.2005	Bought	Sold	
Damai Laut Golf Resort Sdn. Bhd.	20,000,000	-	-	20,000,000

None of the other Directors holding office at 30 June 2006 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.

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

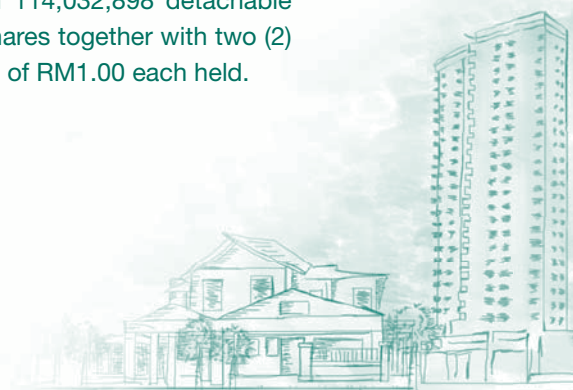
Warrants

i) Warrants A

The Warrants A expired on 7 November 2005.

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.



DIRECTORS' REPORT

for the year ended 30 June 2006

OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)

ii) Warrants B (cont'd)

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 2006, 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.

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.



OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 30 June 2006 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:

Wong Ah Chiew

Wong Chong Shee

Kuala Lumpur,
18 October 2006



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 46 to 94 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 2006 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:

Wong Ah Chiew

Wong Chong Shee

Kuala Lumpur,
18 October 2006

STATUTORY DECLARATION

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

I, **Yap Yoon Kong**, the Director primarily responsible for the financial management of PJ Development Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 46 to 94 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 18 October 2006.

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 46 to 94. 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 content 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 2006 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

Kuala Lumpur,
18 October 2006

Siew Chin Kiang @ Seow Chin Kiang

Partner
Approval Number: 2012/11/06(J)



BALANCE SHEETS

at 30 June 2006

	Note	Group		Company	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Property, plant and equipment	2	457,455	458,811	2,339	2,445
Investments in subsidiaries	3	-	-	425,857	425,857
Investments in associates	4	25,638	30,287	-	-
Other investments	5	52,699	52,622	-	-
Land held for property development	6	106,295	142,817	-	-
Amount due from subsidiaries	7	-	-	250,504	250,422
Intangible assets	8	6,615	7,262	-	-
Trade and other receivables	9	10,479	11,350	-	-
Deferred tax assets	17	3,407	2,781	-	-
		662,588	705,930	678,700	678,724
Current assets					
Inventories	10	30,720	31,799	-	-
Property development costs	11	169,794	98,394	-	-
Trade and other receivables	9	234,872	177,454	237	269
Tax recoverable		6,276	7,648	5,225	5,862
Cash and cash equivalents	12	28,703	31,333	167	75
		470,365	346,628	5,629	6,206
Current liabilities					
Trade and other payables	13	161,196	114,913	885	791
Borrowings	14	129,077	107,038	62,570	47,554
Taxation		2,854	5,264	-	-
		293,127	227,215	63,455	48,345
Net current assets/(liabilities)		177,238	119,413	(57,826)	(42,139)
		839,826	825,343	620,874	636,585
Financed by:					
Capital and reserves					
Share capital	15	456,132	456,132	456,132	456,132
Reserves	16	268,601	250,059	88,436	79,575
		724,733	706,191	544,568	535,707
Minority shareholders' interests		260	250	-	-
Long term and deferred liabilities					
Amount due to subsidiaries	7	-	-	44,431	57,753
Trade and other payables	13	24,867	23,630	-	-
Borrowings	14	79,385	85,292	31,875	43,125
Deferred tax liabilities	17	10,581	9,980	-	-
		114,833	118,902	76,306	100,878
		839,826	825,343	620,874	636,585

The financial statements were approved and authorised for issue by the Board of Directors on 18 October 2006.

The notes set out on pages 52 to 94 form an integral part of, and should be read in conjunction with, these financial statements.



INCOME STATEMENTS

for the year ended 30 June 2006

	Note	Group		Company	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Revenue	18	487,820	409,856	31,073	38,381
Operating profit	18	44,340	41,643	25,095	25,228
Financing costs	20	(10,155)	(8,443)	(6,744)	(6,471)
Interest income	21	773	1,681	2,404	3,508
Share of profit of associates		155	1,291	-	-
Profit before taxation		35,113	36,172	20,755	22,265
Tax expense - Company and subsidiaries		(6,294)	(8,603)	(5,326)	(6,324)
- Associates		(420)	-	-	-
Tax expense	22	(6,714)	(8,603)	(5,326)	(6,324)
Profit after taxation		28,399	27,569	15,429	15,941
Minority interests		140	-	-	-
Net profit for the year		28,539	27,569	15,429	15,941
Basic earnings per ordinary share (sen)	23	6.26	6.04		
Dividends per ordinary share – net (sen)	24	2.88	2.88	2.88	2.88



STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2006

Group	Note	Non-distributable			Distributable		Total
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Translation reserve RM'000	Retained profits RM'000	
At 1 July 2004		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		-	-	-	-	27,569	27,569
Dividends	24						
- 2004 first and final		-	-	-	-	(13,137)	(13,137)
- 2005 interim		-	-	-	-	(6,568)	(6,568)
At 30 June 2005/1 July 2005		456,132	39,773	62,848	5,075	142,363	706,191
Exchange differences on translation of the financial statements of associates and foreign subsidiaries		-	-	-	(3,429)	-	(3,429)
Net loss not recognised in the income statement		-	-	-	(3,429)	-	(3,429)
Net profit for the year		-	-	-	-	28,539	28,539
Dividends	24						
- 2005 final		-	-	-	-	(6,568)	(6,568)
At 30 June 2006		456,132	39,773	62,848	1,646	164,334	724,733

Note 15



Company	Note	Share capital RM'000	Non- distributable Share premium RM'000	Distributable Retained profits RM'000	Total RM'000
At 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 2005/1 July 2005		456,132	39,773	39,802	535,707
Net profit for the year		-	-	15,429	15,429
Dividends - 2005 final	24	-	-	(6,568)	(6,568)
At 30 June 2006		456,132	39,773	48,663	544,568
		Note 15		Note 16	



CASH FLOW STATEMENTS

for the year ended 30 June 2006

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash flows from operating activities				
Profit before taxation	35,113	36,172	20,755	22,265
Adjustments for:				
Allowance for diminution in value of investments - unquoted	-	-	-	10,000
Amortisation of goodwill on consolidation	647	647	-	-
Depreciation	14,213	13,981	135	131
Dividend income	(2,519)	(1,411)	(28,300)	(38,000)
Gain on disposal of long term quoted investments	-	(86)	-	-
Gain on disposal of property, plant and equipment	(192)	(538)	-	(1)
Interest expense	9,046	7,045	6,392	5,955
Interest income	(773)	(1,681)	(2,404)	(3,508)
Property, plant and equipment written off	239	381	1	-
Share of profit in associates	(155)	(1,291)	-	-
Operating profit/(loss) before working capital changes	55,619	53,219	(3,421)	(3,158)
Decrease/(Increase) in working capital:				
Inventories	1,079	923	-	-
Property development costs and land held for property development	(32,808)	2,265	-	-
Trade and other receivables	(56,417)	(22,892)	32	49
Trade and other payables	47,520	20,103	94	(673)
Cash generated from/(used in) operations	14,993	53,618	(3,295)	(3,782)
Income taxes paid	(9,912)	(8,511)	-	-
Income taxes refunded	3,235	-	3,235	728
Net cash generated from/(used in) operating activities	8,316	45,107	(60)	(3,054)
Cash flows from investing activities				
Additional investments in subsidiaries	-	-	-	(249,340)
Compensation received on property, plant and equipment	-	2,087	-	-
Dividends received	2,694	1,033	20,376	30,160
Increase in pledged deposits placed with a licensed bank	(7,118)	(177)	-	-
Interest received	773	1,681	2,404	3,508
Proceeds from disposal of property, plant and equipment	505	996	-	2
Proceeds from disposal of quoted investments	-	86	-	-
Purchase of investments	(77)	(534)	-	-
Purchase of property, plant and equipment	(13,409)	(17,264)	(30)	(278)
Net cash (used in)/generated from investing activities	(16,632)	(12,092)	22,750	(215,948)





	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash flows from financing activities				
(Advances to)/Repayments from subsidiaries	-	-	(13,404)	233,524
Interest paid	(11,116)	(11,226)	(6,392)	(5,955)
Dividends paid to shareholders of the Company	(6,568)	(19,705)	(6,568)	(19,705)
Proceeds from loans and other borrowings	61,181	162,113	17,000	58,700
Repayment of loans and other borrowings	(51,563)	(175,864)	(13,250)	(47,925)
Proceeds from issuance of shares to minority shareholders	120	250	-	-
Net cash (used in)/generated from financing activities	(7,946)	(44,432)	(22,614)	218,639
Net (decrease)/increase in cash and cash equivalents	(16,262)	(11,417)	76	(363)
Cash and cash equivalents at beginning of year	20,096	31,513	(229)	134
Cash and cash equivalents at end of year	3,834	20,096	(153)	(229)

Cash and cash equivalents

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

	Note	Group		Company	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash and bank balances		20,765	30,730	167	75
Deposits placed with licensed banks (excluding deposits pledged)	12	643	426	-	-
Bank overdrafts	14	(17,574)	(11,060)	(320)	(304)
		3,834	20,096	(153)	(229)



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.

(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.





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

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

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.

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.



NOTES TO THE FINANCIAL STATEMENTS

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

(d) Investments (cont'd)

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.

(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 201₂₀₀₄.

(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.



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

(g) Property development costs (cont'd)

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.

(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.



NOTES TO THE FINANCIAL STATEMENTS

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

(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.

(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.

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.



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

(o) Capitalisation of borrowing costs (cont'd)

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.

(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.



NOTES TO THE FINANCIAL STATEMENTS

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

(q) Foreign currency (cont'd)

(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	RM2.31	(2005 :	SGD1	RM2.25)
AUD1	RM2.70	(2005 :	AUD1	RM2.90)
THB1	RM0.09	(2005 :	THB1	RM0.09)

(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.



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.



NOTES TO THE FINANCIAL STATEMENTS

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

(r) Revenue (cont'd)

(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.

(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.



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 2005	219,919	91,800	20,447	29,453	6,265	41,045	29,527	438,456
Additions	1,619	-	-	3,613	-	1,539	-	6,771
Disposals	-	-	-	-	(61)	-	-	(61)
Transfers	-	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-	-
At 30 June 2006	221,538	91,800	20,447	33,066	6,204	42,584	29,527	445,166
Representing items at:								
Cost	1,619	-	20,447	33,066	6,204	42,584	29,527	133,447
Directors' valuation - 2004	219,919	91,800	-	-	-	-	-	311,719
At 30 June 2006	221,538	91,800	20,447	33,066	6,204	42,584	29,527	445,166
Depreciation and impairment losses								
Accumulated depreciation	-	1,020	-	-	674	4,657	3,144	9,495
Accumulated impairment losses	-	18,320	-	-	-	-	-	18,320
At 1 July 2005	-	19,340	-	-	674	4,657	3,144	27,815
Charge for the year	-	1,020	-	-	75	947	616	2,658
Disposals	-	-	-	-	(7)	-	-	(7)
Transfers	-	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-	-
Accumulated depreciation	-	2,040	-	-	742	5,604	3,760	12,146
Accumulated impairment losses	-	18,320	-	-	-	-	-	18,320
At 30 June 2006	-	20,360	-	-	742	5,604	3,760	30,466
Net book value								
At 30 June 2006	221,538	71,440	20,447	33,066	5,462	36,980	25,767	414,700
At 30 June 2005	219,919	72,460	20,447	29,453	5,591	36,388	26,383	410,641
Depreciation charge for the year ended								
30 June 2005	-	1,020	-	-	117	924	605	2,666



NOTES TO THE FINANCIAL STATEMENTS

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
Cost/Valuation								
At 1 July 2005	438,456	58,201	8,213	48,779	13,911	3,923	27	571,510
Additions	6,771	967	491	2,206	2,482	299	193	13,409
Disposals	(61)	(679)	(615)	(270)	(103)	(36)	-	(1,764)
Transfers	-	(195)	-	(1)	195	-	1	-
Write off	-	-	(394)	(246)	(10)	(42)	(1)	(693)
At 30 June 2006	445,166	58,294	7,695	50,468	16,475	4,144	220	582,462
Representing items at:								
Cost	133,447	58,294	7,695	50,468	16,475	4,144	220	270,743
Directors' valuation - 2004	311,719	-	-	-	-	-	-	311,719
At 30 June 2006	445,166	58,294	7,695	50,468	16,475	4,144	220	582,462
Depreciation and impairment losses								
Accumulated depreciation	9,495	39,826	4,190	30,989	7,055	2,824	-	94,379
Accumulated impairment losses	18,320	-	-	-	-	-	-	18,320
At 1 July 2005	27,815	39,826	4,190	30,989	7,055	2,824	-	112,699
Charge for the year	2,658	4,706	1,140	3,460	1,831	418	-	14,213
Disposals	(7)	(676)	(457)	(174)	(101)	(36)	-	(1,451)
Transfers	-	3	2	-	(5)	-	-	-
Write off	-	-	(394)	(15)	(4)	(41)	-	(454)
Accumulated depreciation	12,146	43,859	4,481	34,260	8,776	3,165	-	106,687
Accumulated impairment losses	18,320	-	-	-	-	-	-	18,320
At 30 June 2006	30,466	43,859	4,481	34,260	8,776	3,165	-	125,007
Net book value								
At 30 June 2006	414,700	14,435	3,214	16,208	7,699	979	220	457,455
At 30 June 2005	410,641	18,375	4,023	17,790	6,856	1,099	27	458,811
Depreciation charge for the year ended 30 June 2005	2,666	5,030	1,057	3,406	1,411	411	-	13,981



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

Company	Building RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost				
At 1 July 2005	2,338	989	415	3,742
Additions	-	30	-	30
Write off	-	(1)	-	(1)
At 30 June 2006	2,338	1,018	415	3,771
Depreciation				
At 1 July 2005	334	759	204	1,297
Charge for the year	26	57	52	135
Write off	-	-	-	-
At 30 June 2006	360	816	256	1,432
Net book value				
At 30 June 2006	1,978	202	159	2,339
At 30 June 2005	2,004	230	211	2,445
Depreciation charge for the year ended 30 June 2005	25	58	48	131

Revaluation

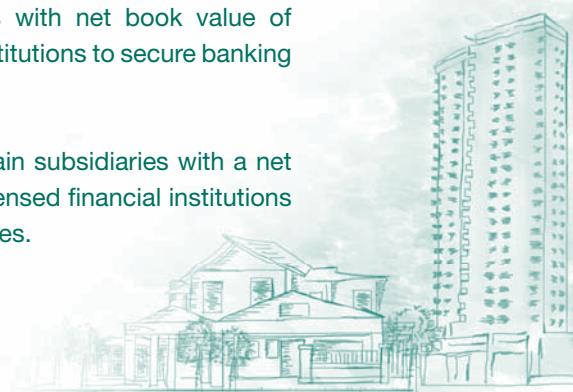
Hotel properties are stated at Directors' valuation based on professional valuations made by Mr. S. Gopala Krishnan, a registered valuer in Azmi & Co. Sdn. Bhd., Mr. Long Tian Chek, a registered valuer in Henry Butcher Malaysia Sdn. Bhd. and En. Zaharin Bin Ahmad Zamani, a registered valuer in Knight 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 RM214,246,000 (2005 - RM213,324,000).

Security

The freehold and leasehold land and buildings of certain subsidiaries with net book value of RM40,872,000 (2005 - RM38,959,000) are pledged to licensed financial institutions to secure banking facilities granted to certain subsidiaries.

The freehold land with buildings classified under hotel properties of certain subsidiaries with a net book value of RM221,538,000 (2005 - RM219,919,000) are pledged to licensed financial institutions to secure banking facilities granted to the Company and certain subsidiaries.



NOTES TO THE FINANCIAL STATEMENTS

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

Security (cont'd)

Other property, plant and equipment of a subsidiary with a net book value of RM5,360,000 (2005 - RM6,607,000) has been pledged to a licensed financial institution to secure banking facilities granted to the subsidiary.

Impairment loss

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

3. INVESTMENTS IN SUBSIDIARIES

	Company	
	2006 RM'000	2005 RM'000
Unquoted ordinary shares – at cost	202,112	202,112
Unquoted redeemable preference shares – at cost	245,400	245,400
Less: Impairment loss	(21,655)	(21,655)
	425,857	425,857

Details of the subsidiaries are shown in Note 31.

4. INVESTMENTS IN ASSOCIATES

	Group	
	2006 RM'000	2005 RM'000
Unquoted shares		
- in Malaysia – at cost	2	2
- in overseas – at cost	23,919	23,919
Share of post-acquisition profits	170	1,291
Exchange translation reserves	1,547	5,075
	25,638	30,287
Represented by:		
Share of net assets	47,643	52,292
Negative goodwill	(22,005)	(22,005)
	25,638	30,287



4. INVESTMENTS IN ASSOCIATES (CONT'D)

The associates of the Group are as follows:

Name of company	Principal activities	Country of incorporation	Effective ownership interest	
			2006 %	2005 %
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	27.40

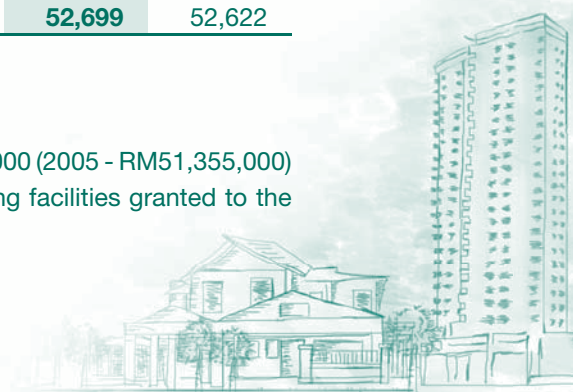
* The associates were equity accounted using management financial statements.

5. OTHER INVESTMENTS

	Group	
	2006 RM'000	2005 RM'000
Long term - at cost		
Shares quoted - in Malaysia	58,920	58,920
Warrants quoted in Malaysia	482	482
Other investments quoted in Malaysia	2,445	2,368
	61,847	61,770
Less: Allowance for diminution in value		
Shares quoted in Malaysia	(8,047)	(8,047)
Other investments quoted in Malaysia	(1,135)	(1,135)
	(9,182)	(9,182)
	52,665	52,588
Shares unquoted: - in Malaysia	34	34
	52,699	52,622

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 (2005 - RM51,355,000) have been pledged to licensed financial institutions as security for banking facilities granted to the Company.



NOTES TO THE FINANCIAL STATEMENTS

5. OTHER INVESTMENTS (CONT'D)

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

6. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2006 RM'000	2005 RM'000
At cost		
<i>At beginning of year</i>	142,817	153,003
Additions	7,820	6,637
Transfer to property development costs	(43,990)	(16,823)
Disposal of land	(352)	-
At end of year	106,295	142,817
Representing:		
Land	77,124	108,570
Land development costs	29,171	34,247
	106,295	142,817

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

	Group	
	2006 RM'000	2005 RM'000
Interest expense	-	1,014

In the previous year, interest was capitalised in land held for property development at rates ranging from 2.39% to 7.25% per annum.

Certain land held for property development with a carrying value of RM39,348,000 (2005 - RM89,764,000) have been pledged to a licensed bank for banking facilities granted to the Company and certain subsidiaries.

7. AMOUNT DUE FROM/TO SUBSIDIARIES

Amount due from subsidiaries is in respect of advances, which are unsecured and interest free except for RM228,743,000 (2005 - RM125,387,000), which is subject to interest rate at 1.06% (2005 - 0.30% to 5.00%) per annum.

Amounts due to subsidiaries is in respect of advances, which are unsecured and interest free except for RM12,175,000 (2005 - RM15,052,000), which is subject to interest rate ranging from 5.00% to 6.75% (2005 - 4.80% to 5.00%) per annum.





7. AMOUNT DUE FROM/TO SUBSIDIARIES (CONT'D)

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

8. INTANGIBLE ASSETS

	Group	
	2006 RM'000	2005 RM'000
<i>Goodwill arising on consolidation</i>		
<i>At cost</i>		
Opening /Closing balance	13,147	13,147
<i>Amortisation</i>		
Opening balance	5,885	5,238
Amortisation charge for the year	647	647
Closing balance	6,532	5,885
<i>Net book value</i>	6,615	7,262

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<i>Current</i>				
Trade receivables	142,175	124,101	-	-
Accrued billings	30,491	14,089	-	-
Amount due from contract customers	29,891	21,513	-	-
Other receivables, deposits and prepayments	32,315	17,751	237	269
	234,872	177,454	237	269
<i>Non-current</i>				
Trade receivables	10,479	11,350	-	-

Trade receivables

Trade receivables of the Group include membership fees amounting to RM22,093,000 (2005 - RM27,520,000) receivable from customers ranging from 12 to 60 monthly instalments.

Included in trade receivables of the Group are retention sums receivable amounting to RM16,766,000 (2005 - RM10,635,000).



NOTES TO THE FINANCIAL STATEMENTS

9. TRADE AND OTHER RECEIVABLES (CONT'D)

Amount due from contract customers

	Group	
	2006 RM'000	2005 RM'000
Aggregate costs incurred to date	707,252	531,364
Add: Attributable profits	50,363	40,024
	757,615	571,388
Less: Progress billings	(768,935)	(569,286)
	(11,320)	2,102
Amount due to contract customers reclassified (Note 13)	41,211	19,411
	29,891	21,513

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 and deposit paid for acquisition of land amounting to RM3,809,000 (2005 - RM2,603,000) and RM7,337,000 (2005 - Nil) respectively.

Advances and payments made on behalf of subcontractors are unsecured, interest free and have no fixed terms of repayment.

10. INVENTORIES

	Group	
	2006 RM'000	2005 RM'000
<i>At cost</i>		
Developed properties held for sale	8,943	11,127
Raw materials	7,043	6,111
Work-in-progress	2,937	4,335
Manufactured inventories	9,932	8,412
Spares and consumables	1,865	1,814
	30,720	31,799



11. PROPERTY DEVELOPMENT COSTS

	Group	
	2006 RM'000	2005 RM'000
<i>At beginning of year</i>		
Land	59,229	47,882
Development costs	318,006	243,425
Accumulated costs charged to income statement	(278,841)	(201,126)
	98,394	90,181
Transfer from land held for property development		
- Land	33,568	11,347
- Development costs	10,422	5,476
Development costs incurred during the year	120,307	69,913
Reversal of accrued development cost	(846)	(808)
Cost charged to income statement for the year	(91,926)	(77,715)
	71,525	8,213
Transfer to developed properties held for sale	(125)	-
<i>At end of year</i>	169,794	98,394
<i>Represented by:</i>		
Land	112,392	59,229
Development costs	428,169	318,006
Accumulated costs charged to income statement	(370,767)	(278,841)
	169,794	98,394

Property development costs incurred during the financial year include:

	Group	
	2006 RM'000	2005 RM'000
Interest expense	2,070	3,167

Interest is capitalised in property development costs at rates ranging from 1.06% to 8.30% (2005 - 2.39% to 7.25%) 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 RM125,532,000 (2005 - RM47,769,000) 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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash and bank balances	20,765	30,730	167	75
Fixed deposits placed with licensed banks	7,938	603	-	-
	28,703	31,333	167	75

The Group's cash and bank balances include RM12,228,000 (2005 - RM23,147,000), the utilisation of which is subject to the Housing Developers (Housing Development Account) Regulations 2002. Included in fixed deposits is RM7,295,000 (2005 - RM177,000) pledged for bank guarantee facilities granted to a subsidiary during the financial year.

13. TRADE AND OTHER PAYABLES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<i>Current</i>				
Trade payables	88,733	63,353	-	-
Progress billings	2,096	9,031	-	-
Amount due to contract customers (Note 11)	41,211	19,411	-	-
Other payables and accrued expenses	28,928	22,045	885	791
Deferred income	228	1,073	-	-
	161,196	114,913	885	791
<i>Non-current</i>				
Deferred income	24,867	23,630	-	-

Trade payables

Trade payables of the Group include retention sums payable of RM15,523,000 (2005 - RM12,395,000).

Other payables and accrued expenses

Other payables and accrued expenses include enrollment fees payable to Resort Condominiums International LCC ("RCI") of RM3,185,000 (2005 - RM2,941,000) 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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Current				
Term loans - secured	18,410	22,107	11,250	11,250
Overdrafts - secured	12,857	6,446	320	304
	4,717	4,614	-	-
Bankers' acceptances - secured	3,358	1,462	-	-
	21,216	18,909	-	-
Revolving credits - secured	56,000	41,000	51,000	36,000
	12,500	12,500	-	-
Hire purchase liabilities	19	-	-	-
	129,077	107,038	62,570	47,554
Non-current				
Term loans - secured	79,355	85,292	31,875	43,125
Hire purchase liabilities	30	-	-	-
	79,385	85,292	31,875	43,125
	208,462	192,330	94,445	90,679

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 5.80% to 8.30% (2005 - 4.80% to 7.50%)	97,765	18,410	21,296	58,059
Secured overdrafts - variable at 7.75% to 8.25% (2005 - 7.00% to 7.50%)	12,857	12,857	-	-
Unsecured overdrafts - variable at 8.25% to 8.75% (2005 - 7.25% to 8.00%)	4,717	4,717	-	-
Secured bankers' acceptances - variable at 3.83% to 3.95% (2005 - 3.03%)	3,358	3,358	-	-
Unsecured bankers' acceptances - variable at 3.25% to 5.90% (2005 - 3.05% to 3.75%)	21,216	21,216	-	-
Secured revolving credits - variable at 5.19% to 6.62% (2005 - 4.60% to 6.06%)	56,000	56,000	-	-
Unsecured revolving credits - variable at 5.50% (2005 - 4.75% to 4.80%)	12,500	12,500	-	-
Hire purchase liabilities at 2.70% (2005 - Nil)	49	19	30	-
	208,462	129,077	21,326	58,059



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 term loan - variable at 6.60% to 6.75% (2005 - 4.80% to 6.60%)	43,125	11,250	11,250	20,625
Secured overdrafts - variable at 8.00% to 8.25% (2005 - 7.50%)	320	320	-	-
Secured revolving credits - variable at 5.19% to 6.62% (2005 - 4.60% to 6.06%)	51,000	51,000	-	-
	94,445	62,570	11,250	20,625

Security

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

The 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	
	2006	2005
	RM'000	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 2006 if paid out as dividends.

17. DEFERRED TAX

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

	Group	
	2006	2005
	RM'000	RM'000
Deferred tax liabilities	10,581	9,980
Deferred tax assets	(3,407)	(2,781)

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	
	2006	2005
	RM'000	RM'000
Property, plant and equipment		
- capital allowances in excess of depreciation	10,860	4,002
- revaluation	3,326	3,326
Property development costs	2,988	2,988
Unabsorbed capital allowances	(5,491)	(7)
Unutilised tax losses	(230)	(11)
Allowances	(872)	(318)
	10,581	9,980

NOTES TO THE FINANCIAL STATEMENTS

17. DEFERRED TAX (CONT'D)

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

	Group	
	2006 RM'000	2005 RM'000
Property, plant and equipment	75	(3)
Deductible temporary differences	(3,311)	(2,778)
Unutilised tax losses	(171)	-
	(3,407)	(2,781)

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

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Taxable temporary differences	(41,570)	(66,732)	(156)	(116)
Deductible temporary differences	15,481	19,273	-	-
Unabsorbed capital allowances	74,880	90,813	771	660
Unutilised tax losses	45,464	43,867	-	-
Allowances	-	193	-	-
	94,255	87,414	615	544

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.

Subject to agreement by the Inland Revenue Board, the Group has unutilised reinvestment allowances and unutilised investment tax allowances of RM29,610,000 (2005 - RM35,561,000) and RM142,398,000 (2005 - RM142,398,000) respectively.

18. OPERATING PROFIT

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Revenue - contract revenue	136,463	104,497	-	-
- sale of goods	154,583	115,876	-	-
- sale of properties	124,964	117,025	-	-
- services	69,290	71,047	2,773	381
- dividends	2,520	1,411	28,300	38,000
	487,820	409,856	31,073	38,381



18. OPERATING PROFIT (CONT'D)

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Contract costs recognised as an expense	(121,592)	(91,313)	-	-
Cost of sales	(129,291)	(96,591)	-	-
Cost of properties sold	(93,483)	(79,732)	-	-
Cost of services	(31,059)	(37,033)	(5,668)	(2,189)
	(375,425)	(304,669)	(5,668)	(2,189)
Gross profit	112,395	105,187	25,405	36,192
Administration expenses	(17,399)	(15,843)	(664)	(553)
Other operating expenses	(54,457)	(51,954)	(334)	(10,507)
Other operating income	3,801	4,253	688	96
Operating profit	44,340	41,643	25,095	25,228
Operating profit is arrived at after crediting:				
Allowance for doubtful debts written back	682	865	-	-
Dividend income from:				
Investments quoted in Malaysia	2,436	1,359	-	-
Unquoted subsidiaries - gross	-	-	28,300	28,000
- tax exempt	-	-	-	10,000
Unquoted investments	83	52	-	-
Gain on disposal of long term quoted investments	-	86	-	-
Gain on disposal of property, plant and equipment	206	538	-	1
Rental income on land and buildings	2,393	1,443	133	188
Realised gain on foreign exchange	81	38	-	-
and after charging:				
Allowance for doubtful debts	648	141	-	-
Allowance for diminution of investments				
- unquoted	-	-	-	10,000
Amortisation of goodwill on consolidation	647	647	-	-
Auditors' remuneration				
Holding company auditors				
- current year	258	226	34	32
- under provision in prior years	16	17	2	2
Other auditors	24	18	-	-
Bad debts written off	196	39	-	-



NOTES TO THE FINANCIAL STATEMENTS

18. OPERATING PROFIT (CONT'D)

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
and after charging: (cont'd)				
Directors' remuneration				
Salaries and other emoluments				
- Directors of the Company	2,584	2,221	2,584	818
- Directors of the subsidiaries	907	778	-	-
Directors' fees				
- Directors of the Company	81	62	81	62
Depreciation	14,213	13,981	135	131
Liquidated and ascertained damages	2,180	1,358	-	-
Loss on disposal of property, plant and equipment	14	1	-	-
Property, plant and equipment written off	239	381	1	-
Rental expense on land and buildings	1,282	1,323	19	19
Rental of equipment	105	78	-	-
Replacement cost for operating equipment	444	364	-	-
Research and development expenses	557	233	-	-
Realised loss on foreign exchange	156	42	-	-

The estimated monetary value of Directors' benefits-in-kind of the Group and Company is RM60,000 (2005 - RM57,000) and RM18,000 (2005 - RM17,000) respectively.

19. EMPLOYEE INFORMATION

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Staff costs	43,566	40,007	5,408	1,979

The number of employees of the Group and of the Company (including Directors) at the end of the year was 1,780 (2005 - 1,679) and 61 (2005 - 24) respectively.

Staff costs of the Group and the Company include contributions to the Employees' Provident Fund of RM4,330,000 (2005 - RM3,916,000) and RM638,000 (2005 - RM206,000) respectively.



20. FINANCING COSTS

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Interest payable				
Bank overdrafts	1,250	466	626	104
Bankers' acceptances	758	765	-	-
Revolving credits	2,669	2,092	2,028	1,466
Subsidiaries	-	-	645	881
Term loans	4,369	3,722	3,093	3,504
Other finance charges	1,109	1,398	352	516
	10,155	8,443	6,744	6,471

21. INTEREST INCOME

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Interest receivable				
Fixed deposits	45	13	-	-
Housing development account	397	627	-	-
Loan stocks	-	549	-	-
Subsidiaries	-	-	2,404	3,508
Others	331	492	-	-
	773	1,681	2,404	3,508

22. TAX EXPENSE

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Current tax expense				
Malaysian - current year	7,057	7,635	6,059	6,481
- prior year	(971)	(216)	(733)	(157)
Overseas - current year	233	-	-	-
	6,319	7,419	5,326	6,324



NOTES TO THE FINANCIAL STATEMENTS

22. TAX EXPENSE (CONT'D)

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Deferred tax expense				
Origination and reversal of temporary differences	(217)	1,149	-	-
Under provision in prior year	192	35	-	-
	(25)	1,184	-	-
Share of tax expense of associates	420	-	-	-
	6,714	8,603	5,326	6,324
Reconciliation of effective tax expense				
Profit before taxation	35,113	36,172	20,755	22,265
Income tax using Malaysian tax rate	9,832	10,128	5,811	6,234
Non-deductible expenses	2,139	827	230	3,029
Non-taxable income	(661)	(1,128)	-	-
Tax exempt income	-	-	-	(2,800)
Deferred tax assets not recognised during the year	1,531	1,399	18	18
Utilisation of previously unrecognised deferred tax assets	(3,446)	(2,169)	-	-
Effect of different tax rate for chargeable income up to RM500,000 (2005 - RM500,000)	(223)	(273)	-	-
Tax incentive	(1,679)	-	-	-
	7,493	8,784	6,059	6,481
Over provision in prior years	(779)	(181)	(733)	(157)
Tax expense	6,714	8,603	5,326	6,324

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 RM28,539,000 (2005 - RM27,569,000) and the number of ordinary shares outstanding during the year of 456,132,000 (2005 - 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	
	2006	2005
	RM'000	RM'000
Ordinary		
Interim paid:		
2006 - Nil		
(2005 - 2% per share less tax at 28%)	-	6,568
Final paid:		
2005 - 2% per share less tax at 28%		
(2004 - 4% per share less tax at 28%)	6,568	13,137
	6,568	19,705

The Directors proposed a first and final dividend of 4% (2005: final dividend - 2%) less tax at 28% totalling RM13,137,000 (2005 - RM6,568,000) for the current financial year. The proposed first and 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.

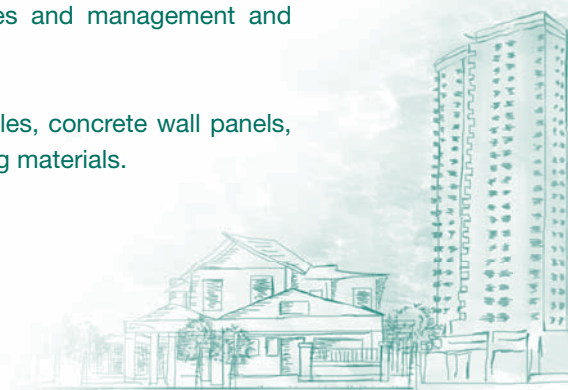
Inter-segment pricing is determined based on negotiated commercial terms.

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.



NOTES TO THE FINANCIAL STATEMENTS

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, management of timeshare membership scheme and marketing of timeshare memberships.
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.

<i>Business Segments</i>	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
2006								
Revenue from external customers	136,463	126,644	154,579	67,353	2,643	138	-	487,820
Inter-segment revenue	81,524	184	40,924	-	2,650	38	(125,320)	-
Total revenue	217,987	126,828	195,503	67,353	5,293	176	(125,320)	487,820
Segment result	6,610	18,872	12,887	7,554	(905)	(79)	(599)	44,340
Financing costs								(10,155)
Interest income								773
Share of profit of associates								155
Profit before taxation								35,113
Tax expense								
- Company and subsidiaries								(6,294)
- associates								(420)
Minority interests								140
Net profit for the year								28,539



25. SEGMENTAL INFORMATION (CONT'D)

<i>Business Segments</i>	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)
Minority interests								-
Net profit for the year								27,569

	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
2006							
Segment assets	118,206	374,200	111,757	419,008	81,130	11,031	1,115,332
Unallocated assets							17,621
Total assets							1,132,953
Segment liabilities	86,541	27,354	22,696	48,021	1,143	308	186,063
Unallocated liabilities							221,897
Total liabilities							407,960
Capital expenditure	1,782	1,127	330	10,140	30	-	13,409
Depreciation and amortisation of property, plant and equipment	1,114	1,140	5,655	6,157	135	12	14,213
Amortisation of goodwill	-	-	413	234	-	-	647
Non-cash expenses other than depreciation and amortisation	2	3	-	233	1	-	239



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	335,588	108,289	419,341	85,832	12,821	1,041,526
Unallocated assets							11,032
Total assets							1,052,558
Segment liabilities	52,876	19,371	19,567	45,835	846	48	138,543
Unallocated liabilities							207,574
Total liabilities							346,117
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

26. CONTINGENT LIABILITIES

	Company	
	2006 RM'000	2005 RM'000
Corporate guarantees given to financial institutions relating to borrowings of subsidiaries	261,273	247,823
Corporate guarantees given to third parties relating to credit facilities granted to subsidiaries	15,840	17,180
	277,113	265,003

Litigation

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

The civil suit taken by SGIVCB against the external agent was in respect of the wrongful repudiation of the Marketing Agreement entered into by the parties on 2 July 2001, resulting in SGIVCB suffered losses and damages. In this civil suit, the external agent has filed a counter claim against SGIVCB. Based upon the advice of legal advisors, the Directors are of the opinion that the counter claim is frivolous and unsubstantiated.





26. CONTINGENT LIABILITIES (CONT'D)

The hearing for Summary Judgement for the counter claim on 26 July 2006 was decided in our favour. On 17 August 2006, the external agent has lodged an appeal against the decision. The hearing for the appeal was fixed on 1 November 2006.

The date of the Case Management in respect of the civil suit taken by SGIVCB against the external agent was held on 30 August 2006. The Case Management continues on 31 January 2007.

27. COMMITMENTS

	Group	
	2006 RM'000	2005 RM'000
Property, plant and equipment		
Contracted but not provided for in the financial statements	-	22
Land held for development		
Contracted but not provided for in the financial statements	17,021	17,100
	17,021	17,122

28. OPERATING LEASES

Leases as lessee

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

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Less than one year	1,015	1,109	19	17
Between one and five years	253	728	7	10
	1,268	1,837	26	27

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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 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	2,304	2,210	-	-
DC Services Sdn. Bhd. Insurance premium payable	1,821	1,356	58	13
Dindings Risk Management Services Sdn. Bhd. Insurance premium payable	448	269	13	7
Willowglen (Malaysia) Sdn. Bhd. Progress claim payable	242	469	-	-
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 Holdings Berhad Room revenue receivable	37	-	-	-
OSK Properties Sdn. Bhd. Construction cost billed	17,096	10,713	-	-
Project management fees billed	-	262	-	-
OSK Properties (Seremban) Sdn. Bhd. Project management fees billed	16	56	-	-
Ke-Zan Holdings Berhad Rental of premises payable	1,111	847	10	10



29. RELATED PARTIES (CONT'D)

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Transactions (cont'd)				
OSK Securities Berhad				
Room revenue receivable	35	80	-	-
Rental receivable	25	25	-	-
Epic Hotels Pty. Ltd.				
Hotel management fees billed	1,254	1,636	-	-
Hotel room charges payable	82	50	-	-
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	15	151	-	-

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	
	2006 RM'000	2005 RM'000
Facilities charges payable	24	24
Introductory fees receivables	644	-
Management fees receivable	2,640	193
Rental receivable	9	76
Rental payable	9	9
Service charge for rental receivable	6	51

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 amount 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 institutions. 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.



30. FINANCIAL INSTRUMENTS (CONT'D)

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.

Group	Effective interest rate per annum %	Total RM'000	Within 1 year RM'000
2006			
Financial assets			
Fixed deposits placed with licensed banks	3.10	7,938	7,938
Financial liabilities			
Secured term loans	6.92	97,765	97,765
Secured overdrafts	7.97	12,857	12,857
Unsecured overdrafts	8.49	4,717	4,717
Secured bankers' acceptances	3.86	3,358	3,358
Unsecured bankers' acceptances	4.08	21,216	21,216
Secured revolving credits	6.00	56,000	56,000
Unsecured revolving credits	5.50	12,500	12,500
Hire purchase liabilities	2.70	49	49
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



NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONT'D)

Company	Effective interest rate per annum %	Total RM'000	Within 1 year RM'000
2006			
Financial liabilities			
Secured term loans	6.65	43,125	43,125
Secured overdrafts	8.05	320	320
Secured revolving credits	6.08	51,000	51,000
2005			
Financial liabilities			
Secured term loans	6.10	54,375	54,375
Secured overdrafts	7.50	304	304
Secured revolving credits	5.27	36,000	36,000

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 are carried at historical cost less allowance for diminution in value of RM34,000 (2005 – RM34,000) in the balance sheet. The Group's share of net tangible assets reported by the unquoted company in Malaysia at 31 December 2005 was RM549,000 (31.12.2005 - RM545,000).

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.



30. FINANCIAL INSTRUMENTS (CONT'D)

Group	2006 Carrying amount RM'000	2006 Fair value RM'000	2005 Carrying amount RM'000	2005 Fair value RM'000
Financial assets				
Shares quoted in Malaysia	50,873	38,810	50,873	34,747
Warrants quoted in Malaysia	482	257	482	386
Other investments quoted in Malaysia	1,310	1,824	1,233	1,677
	52,665	40,891	52,588	36,810

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	
			2006 %	2005 %
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	99
DLHA Management Services Sdn. Bhd.	Provision of property management services	Malaysia	99	99
Eframe Sdn. Bhd.	Software consultancy, product development and maintenance	Malaysia	100	100
Olympic Cable Company Sendirian Berhad and its subsidiary	Manufacturing and sales of cables and wires	Malaysia	100	100



NOTES TO THE FINANCIAL STATEMENTS

31. SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Country of incorporation	Effective ownership interest	
			2006 %	2005 %
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	78.5
PJDC Co., Ltd.**	Construction	Thailand	88.5	88.5
PJD Land Sdn. Bhd.	Dormant	Malaysia	100	100



31. SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Country of incorporation	Effective ownership interest	
			2006 %	2005 %
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	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 timeshare memberships	Malaysia	70	70
Swiss-Garden Rewards (Singapore) Pte. Ltd.*	Agent providing services to hotel companies	Singapore	70	70



NOTES TO THE FINANCIAL STATEMENTS

31. SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Country of incorporation	Effective ownership interest	
			2006 %	2005 %
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	100
HTR Management Services Sdn. Bhd.	Provision of property management services	Malaysia	100	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



31. SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Country of incorporation	Effective ownership interest	
			2006 %	2005 %
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
PKM Management Services Sdn. Bhd. (formerly known as Techno-Trans Engineering Sdn. Bhd.)	Provision of property management services	Malaysia	100	100
Wahyu Sdn. Bhd.	Dormant	Malaysia	100	100

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

**Audited by other firms of auditors

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



NOTES TO THE FINANCIAL STATEMENTS

32. EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

Subsequent to the balance sheet date, the Company has repurchased its own shares, as follows:

Date of purchase	Number of shares purchased (‘000)	Total consideration paid RM’000
16.08.2006	22	9
17.08.2006	10	4
18.08.2006	68	27
	100	40

The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The Company may distribute the treasury shares as dividend to the shareholders or re-sell the treasury shares in the market in accordance with the Rules of Bursa Malaysia Securities Berhad or cancel the shares in accordance with Section 67A of the Companies Act, 1965.

33. COMPARATIVE FIGURES

The following comparatives have been restated to conform with current year presentation.

	Group	
	As restated RM’000	As previously stated RM’000
Balance sheet		
Property development costs	98,394	105,937
Trade and other receivables	177,454	177,035
Trade and other payables	114,913	122,037



LIST OF GROUP'S PROPERTIES

as at 30 June 2006

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	1,491,439	Leasehold (99 years expiring on 23.04.2095)	Land for residential & commercial development	N/A	-	11.09.1996	37,878
Mukim of Senai, Kulai District of Johor Bahru Johor Darul Takzim	2,667,045	Freehold	Land for residential, commercial & industrial development	N/A	-	1991	48,353
Lot 55329, 55339 and Lot 55343 Mukim Batu Kuala Lumpur Wilayah Persekutuan	538,690	Freehold	Land for residential & condominium development	N/A	-	28.02.2000 & 20.09.2001	37,653
HS(D) 90327 PT 15226 Mukim Batu Kuala Lumpur Wilayah Persekutuan	34,057	Freehold	Land for development	N/A	-	10.03.2005	1,559
Lot 55344 Mukim Batu Kuala Lumpur Wilayah Persekutuan	442,956	Freehold	Land for residential development	N/A	-	28.11.2001	40,074
Lot 3670,3673-3677 & Lot 2446 & 2447 Sek. 4 Butterworth Daerah Seberang Prai Utara Pulau Pinang	685,822	Freehold	Land for mixed development	N/A	-	14.10.1996	74,411
Lot 2453 Sek. 4 Butterworth Daerah Seberang Prai Utara Pulau Pinang	6,600	Freehold	Land for development	N/A	-	19.05.2005	185
Lot 1578 Sek. 4 Butterworth Daerah Seberang Prai Utara Pulau Pinang	70,132	Freehold	Land for development	N/A	-	07.02.2006	1,662



LIST OF GROUP'S PROPERTIES

as at 30 June 2006

Location	Area (sq ft)	Tenure	Description/ Existing Use	Age of Building	Date of Valuation	Date of Acquisition	Net Book Value (RM'000)
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	1,527
Damai Laut 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	137,764
Mukim of Lumut District of Dindings Perak Darul Ridzuan	5,808,290	Freehold	Agricultural land	N/A	-	1994	1,625
Lot 2874 Mukim of Lumut District of Manjung Perak Darul Ridzuan	224,334	Freehold	Resort & property development	N/A	-	10.01.2005	3,929
Lot No. 2890 & Lot No. 2891 Tempat Sempit Mukim of Lumut Daerah Manjung Perak Darul Ridzuan	480,802	Freehold	Agricultural land	N/A	-	24.08.2005	3,613
Lot 337 Seksyen 56 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan	74,703	Freehold	Commercial land	N/A	-	25.05.2005	20,511
Swiss-Garden Hotel Kuala Lumpur 117 Jalan Pudu 55100 Kuala Lumpur Wilayah Persekutuan	268,150 (built-up)	Freehold	Hotel	12 years 11 months	2004	-	92,546
Swiss-Inn Kuala Lumpur 62 Jalan Sultan 50000 Kuala Lumpur Wilayah Persekutuan	62,591 (built-up)	Freehold	Hotel	11 years 11 months	2004	-	21,429



Location	Area (sq ft)	Tenure	Description/ Existing Use	Age of Building	Date of Valuation	Date of Acquisition	Net Book Value (RM'000)
Swiss-Garden Resort & Spa Kuantan Lot PT 7566 Mukim Sungai Karang 26100 Berserah Daerah Kuantan Pahang Darul Makmur	250,512 (built-up)	Freehold	Hotel	8 years 3 months	2004	-	88,062
Swiss-Inn Sungai Petani No. 1 Jalan Pahlawan Taman Pahlawan 08000 Sungai Petani Kedah Darul Aman	146,534	Freehold	Hotel	14 years	2004	-	19,500
No. 101-107 Jalan Titipanjang 32200 Lumut Perak Darul Ridzuan	85,246	Freehold	Five storey building	8 years 3 months	-	20.10.1995	2,887
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	12 years 2 months	-	26.08.1993	6,574
76km, Butterworth-Ipoh Main Trunk Road 34007 Taiping Perak Darul Ridzuan	588,321	Freehold	Industrial premises	11 years 10 months	-	01.04.1997	3,484
Lot 1290 & 1298 Jalan Tun Mutahir 5 Tenggara Industrial Park 81000 Bandar Tenggara Johor Darul Takzim	437,778	Leasehold (60 years expiring on 05.08.2063)	Industrial premises	8 years 1 month	-	26.05.1997	2,581
Lot PT 2117 - 2131 Jalan PK 1 Taman Perindustrian Krubong 75250 Melaka	1,271,380	Freehold	Industrial premises	8 years 6 months	-	16.12.1996	27,054
Unit 8, 2nd Floor Lot No 518 & 519 Mukim 11, South West District State of Penang	883	Feehold	Commercial unit	7 years 10 months	-	25.01.1999	150



LIST OF GROUP'S PROPERTIES

as at 30 June 2006

Location	Area (sq ft)	Tenure	Description/ Existing Use	Age of Building	Date of Valuation	Date of Acquisition	Net Book Value (RM'000)
Diaman Crimson Commercial Centre Jalan PJU 1A/41A Ara Jaya 47301 Petaling Jaya Selangor Darul Ehsan	19,815 (built-up)	Freehold	Commercial units	4 year 9 months	-	26.09.2001	4,286
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	13 years 10 months	-	07.08.1992	1,979
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	8,158
Lot No. 8638 Mukim of Lumut District of Manjung Perak Darul Ridzuan	52,909	Freehold (built-up)	74 units holiday apartment	6 years 6 months	-	01.06.2001	9,020



ANALYSIS OF SHAREHOLDINGS

as at 2 October 2006

Authorised Capital	:	RM1,000,000,000
Issued and Fully Paid-Up Capital	:	RM456,132,359
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	489	2.55	8,984	0.00
100 - 1,000	4,358	22.76	3,620,767	0.80
1,001 - 10,000	11,177	58.38	50,415,800	11.05
10,001 -100,000	2,854	14.91	82,054,343	17.99
100,001 - 22,806,616	266	1.39	210,522,218	46.15
22,806,617 and above	2	0.01	109,510,247	24.01
TOTAL	19,146	100.00	456,132,359	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	26,940,166	5.91
3. Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Skim Amanah Saham Bumiputera</i>	13,918,600	3.05
4. Hwang-DBS Securities Berhad <i>IVT (SFS)</i>	9,736,647	2.13
5. Wong Chong Ngin	8,710,800	1.91
6. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pheim Asset Management Sdn Bhd for Employees Provident Fund</i>	8,035,600	1.76
7. Ladang Setia Sdn Bhd	7,775,360	1.70
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 2 October 2006

	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.	HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for YC Ltd</i>	6,300,000	1.38
12.	HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR 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	3,794,200	0.83
17.	HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR 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.	HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for YS Ltd</i>	3,100,000	0.68
20.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Khor Chai Moi (472724)</i>	3,000,000	0.66
21.	Citigroup Nominees (Asing) Sdn Bhd <i>Citigroup GM Inc For SC Fundamental Value Fund LP</i>	2,594,153	0.57
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.	HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for JX Ltd</i>	2,222,000	0.49
25.	Wong Chong Kim	2,032,000	0.45
26.	Cimsec Nominees (Asing) Sdn Bhd <i>Exempt An for CIMB-GK Securities Pte Ltd (Retail Clients)</i>	1,960,300	0.43





Name	Shareholdings	Percentage
27. Citigroup Nominees (Asing) Sdn Bhd <i>Citigroup GM Inc For SC Fundamental Value BVI Ltd</i>	1,854,147	0.41
28. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For Credit Suisse (SG BR-TST-Asing)</i>	1,801,100	0.39
29. Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Mohaamad Sahafi @ Mohmad Sahafi bin Sher Mohamd (MY0094)</i>	1,790,000	0.39
30. Teoh Ah Koo @ Teo Kai Joo	1,438,400	0.32

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	Direct Interest	No. of shares held		
		%	Indirect/Deemed Interest	%
Dindings Consolidated Sdn Bhd	100,000	0.02	*86,718,081	19.02
Khor Chai Moi	26,940,166	5.91	**100,041,441	21.94
Wong Ah Chiew	2,376,000	0.52	***90,280,281	19.80

Notes:

* By virtue of shares held through Nominees.

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

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



ANALYSIS OF WARRANTHOLDINGS

as at 2 October 2006 - 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	93	6.00	3,956	0.00
100 - 1,000	302	19.47	185,542	0.16
1,001 - 10,000	782	50.42	3,145,728	2.76
10,001 -100,000	312	20.11	10,741,031	9.42
100,001 - 5,701,643	56	3.61	25,028,860	21.95
5,701,644 and above	6	0.39	74,927,781	65.71
TOTAL	1,551	100.00	114,032,898	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>	24,913,392	21.85
2. OSK Securities Berhad <i>IVT (LH)</i>	18,665,279	16.37
3. Khor Chai Moi	11,692,829	10.25
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>	6,485,183	5.69
7. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pheim Asset Management Sdn Bhd for Employees Provident Fund</i>	2,031,600	1.78
8. Cimsec Nominees (Asing) Sdn Bhd <i>CIMB Bank for Waqar Saeed Bhatti (MM0647)</i>	1,870,000	1.64
9. Ladang Setia Sdn Bhd	1,833,840	1.61



Name	Shareholdings	Percentage
10. OSK Nominees (Tempatan) Sdn Berhad <i>Wong Chong Ngin</i>	1,771,600	1.55
11. Land Management Sdn Bhd	1,699,000	1.49
12. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for JY Ltd</i>	1,272,800	1.12
13. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for JX Ltd</i>	1,220,800	1.07
14. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for YC Ltd</i>	1,200,000	1.05
15. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for YM Ltd</i>	1,127,200	0.99
16. Haw Ah Bee Construction Sdn Bhd	700,000	0.61
17. Tang Kee Hiong	630,000	0.55
18. Low Yew Kong	540,000	0.47
19. HDM Nominees (Asing) Sdn Bhd <i>UOB Kay Hian Pte Ltd for Tay Yew Hock (Margin)</i>	533,000	0.47
20. Khor Chei Yong	502,000	0.44
21. Lau Tein Khang	470,000	0.41
22. Wong Ah Chiew	402,000	0.35
23. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for YS Ltd</i>	400,000	0.35
24. Wong Leek Tai	387,600	0.34
25. Yeo Eck Liong	361,900	0.32
26. Tan Kwee Guan	300,000	0.26
27. Mayban Securities Nominees (Asing) Sdn Bhd <i>Pledged Securities Account for Lee Chun Hsin (REM 619)</i>	299,800	0.26
28. Teoh Kim Hooi	257,200	0.23
29. Lau Kok Loon @ Lau Say Siok	252,600	0.22
30. Yap Ah Seng	249,800	0.22



OTHER INFORMATION

1. Directors' Interest As At 2 October 2006

COMPANY

Director	Ordinary Shares Of RM1.00 Each			
	Direct Interest		Indirect/Deemed Interest	
	No.	%	No.	%
Dato' Dr Haji Dzulkarnain Bin Shafiee	34,000	0.01	-	-
Wong Ah Chiew	2,376,000	0.52	90,280,281	19.80
Wong Chong Shee	1,300,000	0.29	-	-
Khor Chai Moi	26,940,166	5.91	100,041,441	21.94

Warrants B

Director	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	11,692,829	10.25	33,427,232	29.31

RELATED CORPORATION

Director	Ordinary/ Redeemable Preference Shares Of RM1.00 Each			
	Direct Interest		Indirect/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

Ordinary Shares Of 10.00 Thai Baht Each

Director	Direct Interest		Indirect/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 2006.





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 41st 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, 22 November 2006 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 first and final dividend		
3.	Re-election of Directors:		
	(a) Wong Ah Chiew		
	(b) Khor Chai Moi		
	(c) Yap Yoon Kong		
4.	To re-appoint Dato' Mohamed Tarmizi bin Mohd Tahir as Director pursuant to Section 129(6) of the Companies Act, 1965.		
5.	Approval of Directors' Fees		
6.	Re-appointment of Auditors and authorizing 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 _____ 2006 _____

Signature of Shareholder

Notes:

- 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.
- 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.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointer is a corporation under its Common Seal or the hand of its attorney.
- 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.
- Ordinary Resolution 2**
This Ordinary Resolution, if passed, will provide a new mandate for the Company and its subsidiaries and associated companies 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.
- Ordinary Resolution 3**
This Ordinary Resolution, if passed, will provide a new 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

2nd fold here

1st fold here



PJ DEVELOPMENT HOLDINGS BERHAD

(Company No. 5938-A)

18th Floor, Plaza OSK, Jalan Ampang
50450 Kuala Lumpur, Malaysia