



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

Annual Report 2007





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Form of Proxy

notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Forty-Second 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 Thursday, 22 November 2007 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 2007 together with the Report of the Auditors thereon. (RESOLUTION 1)
2. To declare a first and final dividend of 5% less 26% tax for the year ended 30 June 2007. (RESOLUTION 2)
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 Chong Shee (RESOLUTION 3)
 - (b) YM Ungku Haji Mohd Afandi bin Suleiman (RESOLUTION 4)
4. To consider and, if thought fit, pass the following resolution:

"THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato' Dr Haji Dzulkarnain bin Shafiee be re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting." (RESOLUTION 5)
5. To approve the payment of Directors' fees of RM100,000 for the year ended 30 June 2007. (RESOLUTION 6)
6. To appoint Auditors of the Company and to authorise the Directors to fix their remuneration. (RESOLUTION 7)

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed in the Annual Report 2007 has been received by the Company for the nomination of Messrs BDO Binder, who have given their consent to act.

"THAT Messrs BDO Binder, having consented to act as Auditors be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs KPMG, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

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 authorised with full powers to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as they may deem fit subject always to the approval of the relevant government/regulatory authorities being obtained for such issue and provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued capital for the time being of the Company and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued." (RESOLUTION 8)



Ordinary Resolution 2

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

"THAT, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries and associates shall be mandated to enter into the category of Recurrent Transactions of a revenue or trading nature which are necessary for their day-to-day operations and with those related parties as specified in Section 2.1.3 (ii) of the Circular dated 31 October 2007 subject further to the following:

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

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

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

whichever is the earlier.

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

(RESOLUTION 9)

Ordinary Resolution 3

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

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

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

notice of annual general meeting

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

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

whichever occurs first.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the Listing Requirements and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities. **(RESOLUTION 10)**

Special Resolution

Proposed Amendments To The Articles Of Association Of The Company.

"THAT the proposed amendments to the Articles of Association of the Company as contained in the Circular dated 31 October 2007 be and are hereby approved AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and / or amendments as may be required by the relevant authorities and to do all acts and things and take all steps as may be considered necessary to give full effect to the proposed amendments to the Articles of Association of the Company." **(RESOLUTION 11)**

By order of the Board
LEONG KENG YUEN (MIA 6090)
WONG TIEW KIM (MAICSA 0766807)
Secretaries
Kuala Lumpur
31 October 2007



Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote in his stead. If two proxies are appointed, the number of shares each person is entitled to vote must be stated in the form of proxy. A proxy need not be a member of the Company.
2. All forms of proxy must be deposited at the Registered Office of the Company at 18th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its Common Seal or the hand of its attorney.
4. **Ordinary Resolution 1**
This Ordinary Resolution, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue 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.
7. **Special Resolution**
This Special Resolution, if passed, will bring the Articles of Association of the Company in line with the amendments to the Listing Requirements of Bursa Malaysia Securities Berhad.

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-Second Annual General Meeting of the Company.

- (a) Wong Chong Shee
- (b) YM Ungku Haji Mohd Afandi bin Suleiman

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

- (a) Dato' Dr Haji Dzulkarnain bin Shafiee

Dato' Mohamed Tarmizi bin Mohd Tahir, who has attained the age of over seventy years has requested not to seek re-appointment when his term expires at the Annual General Meeting.

3. Details of attendance of Directors at Board Meetings.

There were six (6) Board of Directors' meetings held during the Financial Year ended 30 June 2007. The details of the attendance of the Directors are as follows: -

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

4. Place, Date and Time of General Meeting.

The Forty-Second 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 Thursday, 22 November 2007 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.



corporate information

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.
55 Medan Ipoh 1A, Medan Ipoh Bistari
31400 Ipoh, Perak Darul Ridzuan
Malaysia
Tel No. : 05-547 4833
Fax No. : 05-547 4363

auditors

KPMG
Wisma KPMG, Jalan Dungun
Damansara Heights, 50490 Kuala Lumpur
Malaysia

principal bankers

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

stock exchange listing

Main Board, Bursa Malaysia Securities Berhad

incorporation

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



chairman's review

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report and Audited Financial Statements of PJ Development Holdings Berhad and the Group for the financial year ended 30 June 2007.



financial review

The Group recorded a turnover of RM549.4 million for the financial year under review, representing an increase of 12.6% over the previous year's turnover of RM487.8 million.

The Group registered a pre-tax profit of RM53.0 million as against a pre-tax profit of RM34.7 million for the previous financial year. Net tangible assets per share of the Group as at 30 June 2007 was RM1.52.

The improvement in revenue and profit was partly attributed to the outstanding performance of our Cables and Hotels and Leisure divisions. Our Property division achieved better results with improved sales coupled with good progress completion of projects.

dividend

The Board of Directors has recommended for your approval payment of a first and final dividend of 5.0% less 26% income tax per share for the financial year ended 30 June 2007.

outlook

Moving forward, the Group will continue to be steadfast in our innovative plans for the current financial year and leverage on the better Malaysian economy and the initiatives taken by the Government with the spin-off from the Ninth Malaysia Plan, the Iskandar Development Region of Johor and the recently announced Northern Corridor Economic Region.

These mega super corridors plans will provide the impetus for a more vibrant property market and related infrastructure projects which will auger well for our Construction and Concrete Products divisions. These divisions will endeavour to scout for projects with good profit margins and will capitalise on the opportunities offered.

Our Property division's primary focus is on enhancing the value of niche development with innovative moves to produce strong financial results. Our promotion overseas to Singapore, Hong Kong, China, the Middle East, India and Pakistan has seen fruition to our efforts with a high percentage of sales achieved. Foreigners and locals alike are confident of our Group's quality and value-added properties available for investment and ownership.

During the financial year under review, we have acquired several pieces of strategic land for the development of residential, high rise apartments and commercial properties in the Klang Valley, Pahang and Johor totaling more than 1,000 acres which will generate revenue and growth in the next few years.

Our Cables division is expected to continue to meet the strong support from TNB and the local market. Our new factory in Vietnam, once in operation will contribute to the group's profitability in the near future.

Our Hotels & Leisure division is anticipated to enjoy growth with Tourism Malaysia actively and aggressively promoting and driving tourism activities and events locally & internationally in line with Visit Malaysia Year 2007. Anticipating the influx of tourists, our hotels, resorts and inns have been upgraded, re-furbished and expanded in terms of rooms, facilities, services and infrastructure to meet the demand. Equally aggressive to meet the increase in demand and tap on the opportunity, our Leisure division has been active in promoting our timeshare memberships in exhibition fairs, road shows and affiliations with more local and overseas locations.

With our prudent capital management strategy, efficient cost management and innovative plans we are optimistic that we will be able to sustain our competitiveness and perform better in the current financial year.



corporate quality and human resource development

The Group continues to allocate management and financial resources to enhance long-term value of its human capital.

Training and development is being conducted for staff to equip them with the capability and skills to improve operational efficiency. The investment in training will also prepare staff for career progression and succession planning in line with the Group's objective of meeting human resource needs of the future.

Application of Quality Management System is continuously practised in the Group's operating units to enhance customers' value.

corporate social responsibility

As a responsible corporate citizen, PJD has over the years and in the financial year under review, sponsored and hosted community and charity activities. Operating under the Swiss-Garden Resorts, Hotels and Inns brand, our Group have played an active role in fostering and supporting charitable events, eco-culture and environmental friendly projects. Our property development, construction projects and factories are always mindful of our responsibility in providing pleasant landscaping with a green lung in the midst of concrete for our residents and a safe and clean environment for our workers.

Some of the activities carried out included –

- "Gotong Royong" at Jalan Bukit Bintang, June 2006,
- Re-cycling project, June 2006,
- Carnival Amal with Yayasan Sultanah Bahiyah, June 2006,
- Children's Day celebration at Philea Home, Kapar, Klang, October 2006,

"Gotong royong" activity at the beach



chairman's review

- Charity Fund Raising campaign for the Budi Yan Orphanage and the Old Folk's Home in Bedong, October 2006,
- Save the Planet Green Project with tree planting, November 2006,
- Dewan Bandaraya Kuala Lumpur Local Agenda Project, January 2007,
- Christmas Star Charity Project, January 2007,
- Johor Flood Relief Fund, January 2007,
- "Our Children, Our Future" Charity Event, June 2007.

acknowledgement

On behalf of the Board of Directors, I would like to take this opportunity to thank all our shareholders, valued customers, business associates and bankers for their invaluable support. Our appreciation is extended to the various government departments and regulatory bodies 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 like to thank Dato' Mohamed Tarmizi Bin Mohd Tahir, who will not be seeking re-appointment as director of the Company, for his past services and invaluable contribution.

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
8 October 2007

"Our Children, Our Future" Charity Event



A perspective view of Swiss-Garden Residences, Kuala Lumpur



National ICC Convention 2007 Award



Children's Day celebration



operations review by the managing director

property development

During the financial year under review, our niche development in the affluent Sri Hartamas district, Klang Valley continued with the completion of HARTAMAS REGENCY 2 and DUTA KENSINGTON. Our next premier project at the same location is aptly named DUTA KINGSBURY. This 10.17 acres of freehold development with 64 units of super link homes and 210 units condominiums, which projects a gross development value of RM265 million is targeted to be launched soon.

IMPIAN MERIDIAN, a 2.71 acres freehold property is strategically located within established amenities and facilities in the matured business centre of USJ, Subang Jaya. Developed on a 3-in-1 concept comprising residence suites, office suites and commercial shops, Block A has already achieved a 90% take up rate since its launch in April 2007. With a total gross development value of RM158 million, Block A is expected for completion by end of year 2009.

Another high end property for the discerning public is SIARAH OAKLEAF, located at Bukit Antarabangsa on a 2.68 acres of countryside living with lush greenery and fresh air quality. With a gross development value of around RM27 million, in a gated and guarded environment, this development consists of an exclusive 20 units of 3-storey semi-detached bungalows with large built areas meant for luxury living. The project is targeted to be launched in November 2007.



A perspective view of the 27-storey office tower, Jalan Tun Razak



Laman Callista, Pulai, Johor



Right in the heart of the pulsating Kuala Lumpur city, SWISS-GARDEN RESIDENCES, the group's signature development of a two-tower 36 storey comprising 413 designer service suites is located next to our Swiss-Garden Hotel Kuala Lumpur. Developed with luxury urban living in mind, Swiss-Garden Residences will have an estimated gross development value of RM192 million.

Strategically located at the bustling Jalan Tun Razak, Kuala Lumpur, is a commercial development comprising a 27-storey office tower with a gross retail and office space of 550,000 sq ft. and a projected gross development value of RM200 million. Its location is within the neighborhood of the Putra World Trade Centre, good infrastructure and in the vicinity of hotels and Light Rail Transit and Monorail.

During the financial year under review, our property development included the final phase of BUKIT ISTANA, Kuantan, Pahang comprising the development of 152 units of semi-detached homes and bungalows, Sea View Tower in HARBOUR PLACE, Butterworth and PUTRI HARTAMAS, consisting of 210 units of landed homes in Taman Putri Kulai, Johor.

Up and coming is LAMAN CALLISTA, situated on a 35 acres of elevated land located at Taman Universiti, Pulai, Johor. This gated and guarded community living property with a projected gross development value of RM115 million comprising 192 units of semi-detached homes is expected to be launched in the fourth quarter of financial year 2007/2008.

In extending the value-added after sales service to owners and investors, we embarked on a Total Property Solution by offering a comprehensive project management and property management services to the properties we developed. Such extended services have seen results in not only the efficient maintenance of the property but the appreciation of the property value and rental yield.

In our unwavering commitment in achieving quality standards befitting our reputation, we have achieved milestones in being again awarded a position in the Top 30 for 2006 by The Edge Malaysia Top Property Developers and attained three MS ISO 9001:2000 certifications in design and development of commercial & residential property, property management and services and property leasing and related services.

construction

Overall, the construction sector regained some ground as compared to last year. In the year under review, the division secured about RM511 million worth of projects with a total order book of about RM842 million. One of our latest mega project in hand is the mixed development at Tropicana City, Petaling Jaya.

During the financial year under review, our operations in Thailand were contributing with the projects in good construction progress at various stages. Despite difficulties faced, we are expecting to deliver our first project in November 2007.



Construction site at Harbour Place, Butterworth



Development project using Acotec-Wall Panels

operations review by the managing director

The construction sector continued to face challenging operating conditions. The tight operating margins and unpredictable cost of materials have put tremendous pressure on the division's profitability. The division, however continues to emphasize on timely and quality delivery.

manufacturing and trading

power cables

The cable and wire industry continued to enjoy improvement in demand particularly from TNB since the last financial year. The positive development in infrastructure related projects has kept the industry in a healthy position where demand has been improving. As a result, the company recorded an increase of 32% in sales over the last financial period, with a corresponding increase in profit of 96%.

The current buoyant market is expected to continue with the implementation of projects under the Ninth Malaysia Plan. The successful launch of a new product, namely Fire Resistant cables this year will further enhance sales in the coming years. It is expected that the current level of performance can be sustained.

During the financial period under review, construction of a new factory has started in Vietnam. It is expected that installation of production facilities and test run will be completed by September 2007 and start commercial production by the last quarter of year 2007. This will further strengthen our presence in Vietnam and

provide opportunities for future expansion in a growing Indo China market.

concrete wall panels and roofing tiles

Our Concrete Panels and Roofing Tiles division has continued to increase market acceptance in the construction industries, both domestically as well as in Singapore. Continuous improvement in all aspects including research and development of products will enhance our competitiveness against many others in the similar industries. The support by the Government in Intergraded Building Systems (IBS) in this industry will hopefully further increase our market share inline with the Ninth Malaysia Plan. We are cautiously optimistic to face the challenges ahead to achieve further growth of the division in the next financial year.

materials trading

During the financial period under review, our materials trading business improved despite the competitive trading conditions in the construction industry.

For the current financial year, we expect the division's performance to maintain its present momentum given improved sales and more stabilized raw materials prices. Meanwhile, we will continue to seek more strategic partnerships and carry more agency products as part of our product diversification exercise. This strategy will drive sales volume and attract higher returns for the division.



Olympic Cable factory in Vietnam



hotels and leisure

The Swiss-Garden International group of hotels, resorts and inns performed significantly well and exceeded budget and the preceding year's NOP by 68% and 38% respectively. The improving economy coupled with regional political stability benefited our hotels and many others in the Klang Valley.

The upgrading and renovations completed for the properties in Kuala Lumpur and Kuantan since late 2006 till early 2007 was timely and contributed to a higher Average Room Rate. Good yield management and cost savings initiatives in all of our properties returned a better bottom line.

Swiss-Garden Golf Resort & Spa Damai Laut has made us proud with its award by MALAYSIA TOURISM AWARDS 2005/2006 - Excellence In Hotel Services 4 – Star (Resort).

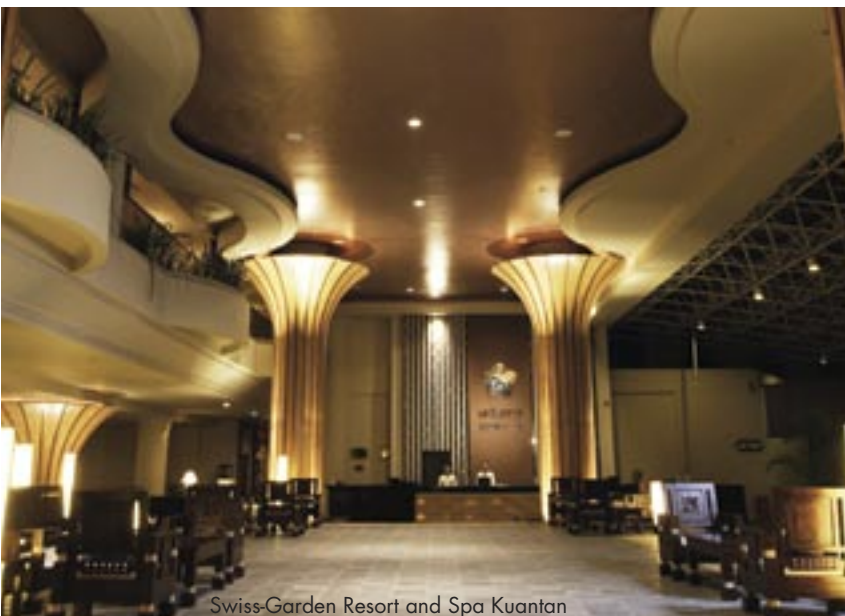
The future outlook is positive with an extension to the Visit Malaysia Year 2007 campaign to August 2008 with an influx of tourists to the country. Riding on this and our innovative packages, expansion at Swiss-Inn Kuala Lumpur with an additional 45 rooms and with the upgraded and renovated Swiss-Garden Golf Resort & Spa Damai Laut, we envisage growth in the current financial year.

The Timeshare division continues to contribute to the group's profit and strengthen its synergistic role with expansion plans in overseas emergent markets. This will propel the Swiss-Garden brand into the international arena and ensure a diverse revenue stream.

In our constant effort to enhance our service and deliver quality product, the division has embarked on the development of purpose-built timeshare units in the heart of Kuala Lumpur city and resort bungalows in an eco-nature environment. These developments will provide an opportunity to diversify our product to cater for different market segments. In addition, the ongoing upgrading of the timeshare rooms will offer holiday-goers fresh holiday experience at our properties.

We recognize the rapid growth in the leisure industry and are confident the timeshare business will continue to make significant contribution to the Hotels and Leisure division.

Wong Ah Chiew
Managing Director
8 October 2007



Swiss-Garden Resort and Spa Kuantan



Timeshare

ulasan pengerusi

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan yang telah diaudit bagi PJ Development Holdings Berhad dan Kumpulan untuk tahun kewangan berakhir 30 Jun 2007.

ulasan kewangan

Kumpulan telah mencatatkan perolehan sebanyak RM549.4 juta bagi tahun kewangan yang di kaji, melambangkan peningkatan sebanyak 12.6 % jika berbanding dengan perolehan bagi tahun lepas yang berjumlah RM487.8 juta.

Kumpulan telah mencatat keuntungan sebelum cukai sebanyak RM53.0 juta berbanding dengan RM34.7 juta yang dicatatkan bagi tahun kewangan sebelumnya. Aset ketara bersih sesaham bagi Kumpulan pada 30 Jun 2007 adalah RM1.52.

Peningkatan dalam hasil dan keuntungan adalah sumbangan cemerlang dari Divisyen Kabel dan Divisyen Hotel dan Rekreasi kami. Divisyen Hartanah kami telah mencapai lebih baik keputusan kewangan kerana peningkatan dalam jualan serta pertambahan kadar tahap pembangunan.

dividen

Lembaga Pengarah telah menyokong untuk kelulusan anda bagi bayaran dividen pertama dan terakhir sebanyak 5.0% ditolak 26% cukai pendapatan sesaham bagi tahun kewangan berakhir 30 Jun 2007.

tinjauan

Melangkah ke hadapan, Kumpulan akan terus berpegang teguh kepada rancangan inovatif kami untuk tahun kewangan semasa dan memberikan pengaruh yang besar kepada ekonomi Malaysia yang bertambah baik dan juga inisiatif yang telah diambil oleh Kerajaan dengan keluaran sampingan Rancangan Malaysia Kesembilan, Wilayah Pembangunan Iskandar Johor, dan yang baru sahaja diumumkan iaitu Wilayah Ekonomi Koridor Utara.

Rancangan koridor mega ini akan menyediakan daya pendorong untuk pasaran hartanah yang lebih memberangsangkan dan projek infrastruktur yang berkaitan serta akan menunjukkan petanda baik kepada divisyen pembinaan dan divisyen produk konkrit. Divisyen-divisyen ini akan berusaha untuk mendapatkan projek dengan margin

keuntungan yang besar dan akan mengambil kesempatan daripada peluang yang ditawarkan.

Fokus utama Divisyen Hartanah kami ialah untuk meningkatkan lagi nilai pembangunan khusus dengan langkah-langkah inovatif untuk menghasilkan keputusan kewangan yang teguh. Promosi luar negara ke Singapura, Hong Kong, China, Timur Tengah, India dan Pakistan telah pun menampakkan hasilnya daripada usaha kami dengan peratusan jualan yang tinggi telah dicapai. Warga asing dan tempatan juga amat berkeyakinan dengan hartanah Kumpulan yang berkualiti tinggi dan bertambah nilai yang tersedia untuk pelaburan dan pemilikan.

Pada tahun kewangan dalam tinjauan, kami telah memperoleh tanah berlokasi strategik untuk pembangunan rumah kediaman, pangsapuri bertingkat tinggi dan hartanah komersil di Lembah Kelang, Pahang dan Johor berjumlah lebih dari 1000 ekar. Ini akan menjanakan pendapatan dan pertumbuhan dalam masa beberapa tahun yang akan datang.

Divisyen Kabel kami dijangka akan terus mendapat sokongan padu dari TNB dan juga pasaran tempatan. Kilang baru kami di Vietnam, sebaik sahaja memulakan operasi akan menyumbang kepada keuntungan Kumpulan dalam masa yang terdekat ini.

Divisyen Hotel dan Rekreasi kami dijangka menikmati pertumbuhan secara aktif dengan Pelancongan Malaysia dan dengan secara agresif mempromosi dan menggerakkan aktiviti dan acara pelancongan dalam dan luar negara sejajar dengan Tahun Melawat Malaysia 2007. Dengan beranggapan bahawa ramai pelancong akan melawat Malaysia, Hotels, Resorts and Inns kami telah dinaikkan taraf dan diubah suai serta dibesarkan dari segi bilik, kemudahan, perkhidmatan dan infrastruktur untuk memenuhi permintaan. Dalam usaha yang agresif untuk memenuhi penambahan dalam permintaan dan mengambil kesempatan ke atas peluang yang ada, Divisyen Rekreasi kami telah menjalankan aktiviti dalam mempromosi secara aktif keahlian kongsi masa di ruang-ruang pameran, roadshow dan juga penggabungan dengan lebih banyak lokasi tempatan dan juga antarabangsa.



Dengan strategi pengurusan modal yang berhemah, pengurusan kos yang efisien dan rancangan yang inovatif, kami benar-benar optimistik dapat mengekalkan persaingan dan dapat menunjukkan prestasi yang lebih baik pada tahun kewangan semasa.

kualiti korporat dan pembangunan sumber manusia

Kumpulan secara berterusan memperuntukkan sumber pengurusan dan kewangan untuk mempertingkatkan lagi nilai jangka panjang modal insannya.

Latihan dan pembangunan telah dijalankan untuk kakitangan bagi melengkapkan mereka dengan keupayaan dan kemahiran dalam meningkatkan lagi keupayaan operasi. Pelaburan dalam latihan juga akan menyediakan kakitangan kemajuan kerjaya dan rancangan penggantian, sejajar dengan objektif Kumpulan untuk memenuhi keperluan sumber tenaga pada masa akan datang.

Penerapan Sistem Pengurusan Berkualiti (Quality Management System) diamalkan secara berterusan dalam semua unit-unit operasi Kumpulan untuk meningkatkan nilai pelanggan.

tanggungjawab sosial korporat

Sebagai warga korporat yang bertanggungjawab, sejak beberapa tahun yang lepas dan pada tahun dalam kajian, PJD telah menaja dan menjadi tuan rumah dalam mengadakan kegiatan-kegiatan kemasyarakatan dan juga amal. Beroperasi di bawah jenama Swiss-Garden Hotels, Resorts & Inns, Kumpulan kami telah memainkan peranan aktif dalam memupuk dan menyokong kegiatan-kegiatan amal, projek-projek berbentuk eko-kebudayaan dan mesra alam. Pembangunan hartanah, projek-projek pembinaan dan kilang-kilang kami sentiasa sedar akan tanggungjawab kami dalam menyediakan lanskap yang mesra alam dengan memasukkan tanam-tanaman hijau di tengah-tengah binaan konkrit untuk penduduk kami dan persekitaran yang selamat untuk pekerja kami.

Diantara aktiviti-aktiviti yang telah dijalankan termasuklah: –

- “Gotong Royong” di Jalan Bukit Bintang, Jun 2006,
- Projek kitar semula, Jun 2006,
- Karnival Amal dengan Yayasan Sultanah Bahiyah, Jun 2006
- Perayaan Hari Kanak-kanak di Philea Home, Kapar, Klang, Oktober 2006,

- Kempen Mengumpul Dana Amal untuk Rumah Anak-anak Yatim Budi Yan dan Rumah Orang Tua di Bedong, Oktober 2006,
- Projek Selamatkan Planet Hijau dengan penanaman pokok, November 2006,
- Projek Agenda Tempatan Dewan Bandaraya Kuala Lumpur, Januari 2007,
- Projek Amal Bintang Krismas, Januari 2007,
- Dana Bantuan Banjir Johor, Januari 2007,
- Acara Amal “Anak Kita Masa Depan Kita”, Jun 2007.

penghargaan

Bagi pihak Lembaga Pengarah, saya ingin mengambil kesempatan ini untuk mengucapkan ribuan terima kasih kepada pemegang saham, pelanggan yang dihargai, rakan niaga dan pihak bank kerana memberi sokongan yang tidak ternilai. Penghargaan kami juga dipanjangkan kepada berbagai Pihak Berkuasa Tempatan dan agensi-agensi Kerajaan kerana memberi bantuan dan panduan mereka. Tidak lupa juga kepada pasukan pengurusan dan kakitangan kami, terima kasih yang tidak terhingga kerana sumbangan, dedikasi dan komitmen yang mereka telah berikan.

Bagi pihak Lembaga Pengarah, saya juga ingin mengucapkan ribuan terima kasih kepada Dato’ Mohamed Tarmizi Bin Mohd Tahir diatas perkhidmatan yang cemerlang dan sumbangan yang tidak ternilai. Beliau akan menarik diri untuk dilantik semula sebagai ahli Lembaga Pengarah Syarikat.

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

Mohamed Zain Bin Mohamed Yusoff

Pengerusi
8 Oktober 2007

ulasan operasi dari pengarah urusan

pembangunan hartanah

Sepanjang tahun kewangan yang ditinjau, projek pembangunan kami khususnya di Sri Hartamas, kawasan perumahan mewah di Lembah Kelang diteruskan dengan penyiapan HARTAMAS REGENCY 2 dan DUTA KENSINGTON. Projek perdana kami yang seterusnya di kawasan yang sama adalah DUTA KINGSBURY. Pembangunan pegangan bebas seluas 10.17 ekar yang mempunyai 64 unit rumah teres superlink dan 210 unit kondominium ini, yang mensasarkan nilai taksiran pembangunan kasar sebanyak RM265 juta dijangka akan dilancarkan tidak lama lagi.

IMPIAN MERIDIAN, sebuah hartanah pegangan bebas seluas 2.71 ekar, adalah terletak di lokasi yang strategik dengan kemudahan dan keselesaan yang lengkap di kawasan perniagaan USJ Subang Jaya. Dibangunkan di atas konsep 3 dalam 1 yang mengandungi suit kediaman, pejabat dan kedai-kedai komersil, Blok A telah pun mencapai kadar pengambilan unit sebanyak 90% semenjak pelancarannya pada bulan April 2007. Dengan nilai taksiran pembangunan kasar berjumlah RM158 juta, Blok A dijangka akan disiapkan pada akhir tahun 2009.

Satu lagi hartanah eksklusif untuk pembeli-pembeli yang bijak dalam membuat penilaian hartanah ialah SIARAH OAKLEAF, terletak di Bukit Antarabangsa di atas sebidang tanah dengan keluasan sebanyak 2.68 ekar. Ia berkonsepkan gaya hidup kawasan desa yang dikelilingi oleh tumbuhan yang penuh dengan kehijauan dan udara bersih yang sungguh nyaman. Dengan nilai taksiran pembangunan kasar sebanyak lebih kurang RM27 juta, dalam persekitaran kawasan yang berpagar dan lengkap dengan ciri-ciri keselamatan, pembangunan ini terdiri daripada 20 unit rumah berkembar 3 tingkat eksklusif dengan kawasan binaan yang besar khusus untuk kehidupan mewah. Projek ini dijangka akan dilancarkan pada bulan November 2007.

Di tengah-tengah Bandaraya Kuala Lumpur, SWISS-GARDEN RESIDENCES pembangunan pengenalan kumpulan, merupakan dua menara 36 tingkat yang terdiri daripada 413 suit perkhidmatan yang eksklusif, terletak bersebelahan dengan Swiss-Garden Hotel Kuala Lumpur. Dibangunkan dengan berkonsepkan kehidupan bandar yang mewah, Swiss-Garden Residences akan mempunyai anggaran nilai pembangunan kasar berjumlah RM192 juta.

Terletak di kawasan yang begitu strategik di kesibukan Jalan Tun Razak, Kuala Lumpur, terdapat pembangunan komersil yang terdiri daripada 27 tingkat menara pejabat dengan ruang perniagaan dan pejabat kasar sebanyak 550,000 kaki persegi dan nilai taksiran pembangunan kasar terunjur berjumlah RM200 juta. Lokasinya adalah berdekatan dengan Pusat Dagangan Dunia Putra, mempunyai infrastruktur yang baik dan berdekatan dengan beberapa buah hotel dan Alihan Rel Ringan serta Monorel.

Sepanjang tahun kewangan dalam tinjauan, pembangunan hartanah kami adalah termasuk fasa terakhir BUKIT ISTANA, Kuantan, Pahang yang terdiri daripada pembangunan 152 unit rumah berkembar dan banglo, Menara Sea View di HARBOUR PLACE, Butterworth dan PUTRI HARTAMAS, yang mengandungi 210 rumah di Taman Putri Kulai, Johor.

Yang sedang rancak dibina ialah LAMAN CALLISTA, terletak di atas tanah tinggi dengan keluasan sebanyak 35 ekar di Taman Universiti, Pulai, Johor. Hartanah berkonsepkan kehidupan berk komuniti berpagar dan penuh kawalan keselamatan ini dengan nilai taksiran pembangunan kasar berjumlah RM115 juta mengandungi 192 unit rumah berkembar, dijangka akan dilancarkan pada suku keempat tahun kewangan 2007/2008.

Dalam memanjangkan perkhidmatan selepas jualan yang ditambah nilai kepada pemilik dan pelabur, kami memulakan Penyelesaian Hartanah Menyeluruh (Total Property Solution) dengan menawarkan pengurusan projek yang komprehensif dan perkhidmatan pengurusan hartanah kepada hartanah yang kami telah bangunkan. Perkhidmatan yang dipanjangkan itu telah membuahkan hasil bukan sahaja dalam penyelenggaraan efisien hartanah malah kenaikan nilai hartanah dan hasil sewaan.

Dengan komitmen kami yang tidak goyah untuk mencapai standard kualiti yang setaraf dengan reputasi kami, kami telah mencapai mercu tanda sekali lagi telah dianugerahkan kedudukan 30 Teratas untuk tahun 2006 oleh Pemaju Hartanah Terbaik The Edge Malaysia dan telah memperolehi tiga perakuan MS ISO 9001:2000 dalam reka bentuk dan pembangunan hartanah komersil dan kediaman, pengurusan dan perkhidmatan hartanah dan pemajakan hartanah dan perkhidmatan yang berkaitan.



pembinaan

Secara keseluruhannya, sektor pembinaan kami telah berjaya menarik nafas lega berbanding tahun lepas. Pada tahun dalam tinjauan, divisyen tersebut telah berjaya memperoleh projek bernilai RM511 juta dengan jumlah pesanan terkumpul sebanyak RM842 juta. Satu daripada projek mega dalam tangan kami ialah pembangunan bercampur di Tropicana City, Petaling Jaya .

Sepanjang tahun kewangan yang ditinjau, operasi kami di Thailand berjaya mengaut sumbangan dengan projek yang sedang dalam pembangunan yang memberangsangkan di pelbagai peringkat. Walaupun menghadapi banyak rintangan, kami menjangka akan menyiapkan projek pertama kami pada bulan November 2007.

Sektor pembinaan terus menghadapi keadaan pengoperasian yang amat mencabar. Margin operasi yang sungguh ketat dan kos bahan yang sukar diramalkan telah memberikan tekanan yang hebat kepada keuntungan divisyen. Walau bagaimanapun, divisyen terus menekankan kepada penyiapan dan penyerahan tepat pada masa tanpa bertolak ansur ke atas kualiti.

pengeluaran dan perdagangan

kabel kuasa

Industri kabel dan dawai berterusan menikmati peningkatan dalam permintaan terutamanya dari TNB semenjak tahun kewangan yang lepas. Perkembangan positif dalam projek berkaitan infrastruktur telah mengekalkan industri dalam keadaan yang sungguh memberangsangkan di mana permintaan semakin menunjukkan peningkatan. Hasil dari itu, syarikat telah mencatat kenaikan sebanyak 32% dalam jualan berbanding tempoh kewangan yang lepas, serta menunjukkan peningkatan yang sama dalam keuntungan sebanyak 96%.

Pasaran semasa yang sangat positif ini dijangka akan berterusan dengan pelaksanaan projek di bawah Rancangan Malaysia Kesembilan. Kejayaan pelancaran produk baru, iaitu kabel kalis api pada tahun ini akan meningkatkan lagi jualan pada tahun-tahun yang akan datang. Adalah dijangkakan bahawa tingkat pencapaian semasa dapat dikekalkan.

Sepanjang tempoh dalam tinjauan, pembinaan kilang baru telah dimulakan di Vietnam. Adalah dijangkakan bahawa pemasangan kemudahan produk dan jalanan ujian akan disempurnakan pada bulan September 2007 dan pengeluaran komersil akan bermula pada suku akhir tahun 2007. Selanjutnya, ini akan mengukuhkan lagi kedudukan kami di Vietnam dan menyediakan peluang untuk pengembangan masa hadapan dalam pasaran Indo China yang sedang tumbuh dengan pesatnya.

panel dinding konkrit dan jubin atap

Divisyen Panel Dinding Konkrit dan Jubin Atap kami secara berterusan meningkatkan penerimaan pasaran dalam industri pembinaan bagi kedua-dua pasaran tempatan dan juga di Singapura. Peningkatan yang berterusan dalam semua aspek termasuk penyelidikan dan pembangunan produk akan meningkatkan daya saing kami dengan banyak syarikat-syarikat lain dalam industri yang sama. Sokongan yang diberikan oleh Kerajaan dalam Sistem Pembinaan Bersepadu (IBS) dalam industri ini diharapkan akan meningkatkan lagi saham pasaran kami selaras dengan Rancangan Malaysia Kesembilan. Kami berasa optimistik tetapi pada masa yang sama berhati-hati untuk berhadapan dengan cabaran yang menanti di hadapan untuk mencapai pertumbuhan divisyen yang lebih baik pada tahun kewangan seterusnya.

perdagangan bahan

Sepanjang tempoh dalam kajian, perniagaan perdagangan bahan kami bertambah baik walaupun keadaan perdagangan yang kompetitif dalam industri pembinaan.

Bagi tahun kewangan semasa, kami menjangkakan pencapaian divisyen akan mengekalkan momentum semasanya dengan adanya jualan yang telah meningkat dan harga bahan yang lebih stabil. Sementara itu, kami akan terus mencari lebih banyak rakan perkongsian strategik dan membawa lebih produk agensi sebagai sebahagian daripada usaha mempelbagaian produk kami. Strategi ini akan menggerakkan jumlah jualan dan menarik pulangan yang lebih tinggi bagi divisyen tersebut.

ulasan operasi dari pengarah urusan

hotel dan rekreasi

Kumpulan Swiss-Garden International Hotels, Resorts & Inns telah menunjukkan prestasi yang sungguh menggalakkan dan telah melebihi daripada Bajet dan Untung Kendalian Bersih (NOP) bagi tahun sebelumnya masing-masing sebanyak 68% dan 38%. Ekonomi yang bertambah baik dan ditambah pula dengan kestabilan politik serantau telah memberi manfaat kepada hotel kami dan banyak lagi yang lain di Lembah Kelang.

Penaikan taraf dan pengubahsuaian di hotel dan resort kami di Kuala Lumpur dan Kuantan semenjak akhir 2006 hingga awal 2007 adalah tepat pada masanya dan telah menyumbang kepada Kadar Purata Sewa Bilik yang lebih tinggi. Pengurusan hasil yang baik dan inisiatif penjimatan kos dalam semua hartanah kami membuahkan pulangan yang lebih baik.

Swiss-Garden Golf Resort & Spa Damai Laut benar-benar telah membanggakan kami dengan anugerah yang diterimanya dari ANUGERAH PELANCONGAN MALAYSIA 2005/2006 - Kecemerlangan Dalam Perkhidmatan Hotel 4 - Bintang (Peranginan).

Tinjauan untuk masa hadapan adalah memberangsangkan dengan pelanjutan kepada kempen Tahun Melawat Malaysia 2007 hingga ke bulan Ogos 2008 dengan kemasukan pelancong yang ramai ke dalam negara. Dengan mengambil peluang ini dan promosi paket inovatif, pengembangan di Swiss-Inn Kuala Lumpur dengan 45 bilik tambahan serta penaikan taraf dan pengubahsuaian di Swiss-Garden Golf Resort & Spa Damai Laut, kami bayangkan pertumbuhan yang menggalakkan pada tahun kewangan semasa.

Divisyen Kongsi Masa terus menyumbangkan kepada keuntungan kumpulan dan mengukuhkan peranannya dalam memberikan sinergi dengan rancangan pengembangan dalam pasaran luar negara yang baru muncul. Ini akan menggerakkan jenama Swiss-Garden ke dalam arena antarabangsa dan memastikan aliran pendapatan yang berbeza dan pelbagai.

Dalam usaha kami yang tidak jemu-jemu untuk meningkatkan lagi perkhidmatan kami dan menghasilkan produk berkualiti, divisyen ini telah memulakan pembangunan unit kongsi masa yang dibina khas di tengah-tengah Bandaraya Kuala Lumpur dan rumah peranginan dalam persekitaran eko-semula jadi. Pembangunan ini akan menyediakan peluang untuk mempelbagaikan produk bagi memenuhi keperluan segmen pasaran yang berbeza. Di samping itu juga, penaikan taraf yang berterusan ke atas bilik-bilik kongsi masa akan menawarkan pengunjung pengalaman bercuti yang baru di lokasi-lokasi percutian kami.

Kami akui akan pertumbuhan pesat dalam industri rekreasi dan benar-benar yakin perniagaan kongsi masa akan terus memberikan sumbangan yang besar kepada Divisyen Hotel dan Rekreasi.

Wong Ah Chiew

Pengarah Urusan
8 Oktober 2007



董事主席报告

本人欣然代表辟捷发展控股有限公司提呈本公司和集团截至2007年6月30日为止的财政年度之常年报告及已审核的财务报告。

财务检讨

在受检讨之财政年度里, 本集团创下5亿4千9百40万令吉的营业额, 比去年之4亿8千7百80万令吉增加了12.6%。

集团之税前盈利高达5千3百万令吉, 而去年之税前盈利则是3千4百70万令吉。截至2007年6月30日为止, 集团每股净有形资产为1.52令吉。

集团的营业额及盈利增长表现主要来自电缆业务及酒店与休闲业务亮丽表现。产业业务取得好业绩有赖于工程进展及竣工顺利所带来增长的销售量。

股息

董事部建议截至2007年6月30日的财政年度派发5%每股需扣26%所得税的首期及终期股息, 唯此建议有待股东批准。

展望

本集团将在现财政年度延续革新计划, 并杠杆良好的大马经济及政府在第9大马计划、柔佛依斯干达发展区以及最近宣布的北马经济走廊特区中所展开的动力。

这些大型超级走廊计划将推动产业市场, 而相关的基建计划也对我们的建筑和混凝产品业务有利。这些业务将积极寻求高赚幅的工程, 并把所提供的商机资本化。

产业发展业务主要通过创新概念来提升利基发展计划的价值, 以取得强稳的财务表现。我们在新加坡、香港、中国、中东、印度和巴基斯坦所展开的海外宣传带来偏高的销售额, 成绩不俗。海外和本地人士对本集团所提供以投资及持有的优质和增值产业充满信心。

在过去一年的财政年度, 我们在巴生谷、彭亨及柔佛收购超过1千英亩的土地用作住宅、高楼公寓及商业产业的发展, 预料将在未来数年为本集团带来营业额和业绩成长。

本集团的电缆业务预料将持续获得国家能源公司及本地市场的稳健支持。我们在越南的新工厂将在开始营运后的短期内为集团带来盈利贡献。

本集团的酒店及休闲业务预料将随大马旅游业取得活跃成长, 并配合2007大马旅游年, 在国内外积极展开宣传和推广旅游活动。我们预计会有大量游客涌入, 因此经已提升、刷新和扩建酒店、度假村和旅馆的房间、设备、服务及基建设备来迎合需求。本集团的休闲业务也积极在本地和海外景点, 透过展览、巡回展览和联盟促销我们的时光分享会员籍, 以迎合增长的需求及商机。

在我们谨慎的资金管理策略、有效率的成本管理及创新计划下, 我们有信心本集团将可维持竞争能力, 并在现财政年度取得更好的表现。

董事主席报告

企业质量与人力资源发展

本集团将持续分配管理及财物资源来提升人力资源的长期价值。

我们为员工提供培训及发展计划，让他们拥有提升营运效率的能力与技能。投资员工培训也将让员工为事业进展和传承规划做好准备，以符合集团要达到未来人力资源需求的目标。

本集团的业务营运单位持续进行企业质量管理体系，以提升客户价值。

企业社会责任

身为一位负责任的企业公民，辟捷多年来及在受检讨的财政年度里赞助和举办了各种社会及慈善活动。在瑞园度假村、酒店和旅馆品牌下，本集团积极参与促进和支援慈善活动、经济文化及环保计划。本集团的产业发展、建筑计划及工厂都不忘为住户在城市钢筋水泥间提供绿肺景观，也为员工提供安全和干净的工作环境。

以下是部分经已进行的活动-

- 在武吉免登路进行“大扫除”，2006年6月
- 再循环计划，2006年6月
- 与Sultanah Bahiyah基金联办Amal嘉年华会，2006年6月
- 在巴生加浦的Philea Home庆祝儿童节，2006年10月
- 在Bedong为Budi Yan孤儿院及老人院进行慈善筹款运动，2006年10月
- 种植树木以拯救地球绿化计划，2006年11月
- 吉隆坡市政厅Local Agenda计划，2007年1月
- 圣诞节Star慈善计划，2007年1月
- 柔佛水灾赈灾基金，2007年1月
- “Our Children, Our Future”慈善活动，2007年6月

鸣谢

谨借此机会代表董事局感谢所有股东、尊贵的顾客、商业伙伴及银行家无价的支持；还有感谢各政府部门及执法机构的协助与指引。同时也不忘感激管理层及职员们尽心尽力的奉献。

本人趁此机会代表董事局感谢无意寻求继任公司董事的拿督Mohamed Tarmizi Bin Mohd Tahir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

董事主席

2007年10月8日



执行董事业务检讨

产业发展

在受检讨的财政年度里, 本公司在HARTAMAS REGENCY 2及大使京士顿(DUTA KESINGTON)宣告竣工后, 继续扩展位于巴生谷Sri Hartamas的利基发展计划。我们在这个地点的下一个要发展计划名为大使京士布里(DUTA KINGSBURY)。这项占地10.17英亩的永久地契发展共有64间超级双连房屋及210单位的共管式高级公寓。这项即将推介的计划的毛发展总值高达2亿6千5百万令吉。

占地2.71英亩永久地契的凯苑城(IMPIAN MERIDIAN)坐落在拥有各种设施的成熟商业中心梳邦再也USJ。这项发展计划采用包括了住宅单位、办公室单位和商店的3合1概念, 其中A座自2007年4月推介以来已经售出90%。A座的总发展价值高达1亿5千8百万令吉, 预料在2009年杪竣工。

另一项备受公众人士关注的高档产业计划是坐落在Bukit Antarabangsa, 占地2.68英亩, 拥有青葱碧绿及空气新鲜的乡区生活方式的SIARAH OAKLEAF。这项耗资约2千7百万令吉的围篱守卫家居共有20间建筑范围庞大的高档3层半独立洋房。这项计划预计在2007年11月推介。

本集团具代表性的发展计划是坐落在吉隆坡中心脉搏的SWISS-GARDEN RESIDENCES, 拥有两座36层大楼, 共413间特别设计的服务单位, 与吉隆坡瑞园酒店隔邻。这项以高档都市生活概念发展的Swiss-Garden Residences的预计总发展价值为1亿9千2百万令吉。

坐落在吉隆坡敦拉萨路策略性地点的商业发展计划是一座27层高的办公楼, 共有55万平方尺零售及办公室空间, 预计耗资2亿令吉。这项计划与太子世界贸易中心毗邻, 拥有良好的基建设备, 周围也设有酒店、轻快铁和单轨火车。

在受检讨的财政年度里, 本集团的产业发展计划包括位于彭亨州关丹皇宫岭(BUKIT ISTANA)最后一期发展的152间半独立洋房及独立式洋房、北海滨港城(HARBOUR PLACE)的海景阁(Sea View Tower), 以及柔佛古来公主城(Taman Putri Kulai)共210间有地房屋PUTRI HARTAMAS。

接下来的发展的将是位于柔佛浦莱大学城, 占地35英亩的LAMAM CALLISTA。这项耗资1亿1千5百万令吉的围篱守卫社区生活产业共有192间半独立式洋房, 预料在2007/2008财政年度第四季推介。

为了替业主及投资者延续增值售后服务, 我们展开一项总合产业方案(Total Property Solution), 提供全面工程和产业管理服务。这些延伸的服务已经见到效绩, 不但有效地维修产业, 产业价值及租金率也获得提升。

在达到质量标准承诺来符合我们的名声下, 我们再度达致里程碑, 荣获马来西亚The Edge顶尖产业发展商选举中前30名发展商之一, 而商业与住宅产业、产业管理与服务, 以及产业租借及相关服务的设计及发展也获得3项MS ISO 9001:2000证书。

建筑

建筑领域整体比去年稍微复苏在受检讨的年度中, 本组取得价值5亿1千1百万令吉的工程, 订单合约总值为8亿4千4百万令吉。本组其中一项最新大型工程是八打灵再也的Tropicana City 综合发展计划。

在受检讨的财政年度, 我们在泰国建筑的工程进展顺利。尽管面对各种困难, 我们预料可在2007年11月移交第一项工程。

建筑领域续面对挑战。严谨的营运赚幅及不可预知的原料成本令这项业务的盈利面对压力。无论如何, 本组坚持如期移交优质工程。

执行董事业务检讨

制造与贸易 电缆

电缆与电线领域自去年之财政年度持续享有增长的需求, 尤其来自国家能源公司的需求。基建相关工程正面发展令这领域的需求提升, 并维持良好的处境。结果显示, 本公司的销售额比去年财政年度增加32%;盈利则增加了96%。

在第9大马计划推动下, 我们预料持续享有良好的市场环境。今年防火电缆成功推出将进一步在来年带来销售额的增加。预计公司可维持目前的营业表现。

在受检讨财政年度里, 我们已开始在越南建造一座新工厂。预料生产机器设备的装置及试跑可在2007年9月完成, 并在2007年第四季开始投入生产。这将进一步稳定我们在越南的地位, 并提供机会进一步扩展到成长中的中南半岛市场。

混凝墙板与屋瓦

本集团的混凝墙板与屋瓦业务在本地及新加坡建筑领域的市场反应持续提升。本组所有领域, 包括产品的研究与开发的增长将有助提升竞争能力。政府在这项领域中给予综合建筑系统(IFS)的支持, 预计将进一步随第9大马计划提升我们的市场席位。我们谨慎乐观面对挑战, 以在下个财政年度继续取得成长。

建材贸易

在受检讨的财政年度里, 我们的建材贸易虽然面对建筑业激烈的竞争, 但业务仍取得增长。

销售额提升, 加上原料价格趋向平稳, 我们预料本组业务可在现今的财政年度维持现有的趋势。同时, 我们将持续放眼更多策略伙伴, 并在多元化产品计划下代理较多产品。这项策略方针将带来格外销售额, 为这业务带来较高的回酬。

酒店与休闲

瑞园国际酒店集团、度假村与旅馆取得亮丽的表现, 比起去年分别超越68%和38%的预算和盈利。良好的经济环境, 加上本区域稳定的政治情况都对我们的酒店和在巴生谷其他的酒店有利。

吉隆坡和关丹的产业自2006年杪到2007年初展开的提升与装修工程都非常符合时宜, 并带来了偏高的平均酒店住宿率。同时, 我们所有产业的良好回酬管理及成本节省动力也带来了较好的盈利表现。

Swiss-Garden Golf Resort & Spa Damai Laut荣获2005/2006年大马旅游奖-卓越4星级酒店服务(度假村)奖项, 令我们深感光荣。

2007大马旅游年活动展延到2008年8月, 前来我国的大量游客令我们抱有正面的展望。除此之外, 在我们提供的创新配套、吉隆坡瑞园旅馆增设的45间酒店房, 以及Swiss-Garden Golf Resort & Spa Damai Laut的提升和装修下, 我们可期望在现财政年度取得增长。

时光分享业务持续为集团带来盈利贡献, 并透过在海外新兴市场进行的扩展计划强化协作角色。这将把瑞园品牌推广到国际市场, 并确保多元化营业额来源。

为了持续提升服务及递交质量产品, 本组已在吉隆坡市中心发展了时光分享特别单位及在自然环境中建设休闲独立洋房。这些发展计划将让我们有机会把时光分享产品多元化, 以供应给不同的市场需求。除外, 持续提升时光分享房间也让旅游爱好者在我们的产业体验与众不同的假期。

我们看到休闲领域的快速成长, 并有信心时光分享业务可持续为酒店与休闲业务带来显著贡献。

Wong Ah Chiew
执行董事
2007年10月8日



profile of directors

Encik Mohamed Zain bin Mohamed Yusoff
a Malaysian, aged 62.

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 59.

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 27 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 52.

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 55.

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 14 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 50.

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 71.

He joined the Board of Directors on 18 September 1987 and was appointed the 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 71.

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

His public sector career started in 1961 at the District Office in Kuala Pilah, Negeri Sembilan as State Development Officer of Negeri Sembilan, Melaka and Pahang, General Manager of 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.

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 60.

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 55.**

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 the 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 the Group.

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, four meetings were held and details of attendance of each member are as follows:

Committee Members	Attendance of Meetings
Independent	
Au Chun Choong (Chairman)	4/4
YM Ungku Haji Mohd. Afandi Bin Suleiman	4/4
Dato' Mohamed Tarmizi Bin Mohd. Tahir	3/4
Non-Independent	
Wong Ah Chiew	4/4

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 audit plan, 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 the 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 controls.

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.

audit committee report

5.4 Functions

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

- i) Review the following and report the same to the Board of Directors of the Company and subsidiaries:
 - a) the audit plan with the external auditors,
 - b) evaluation of the system of internal controls with the external auditors,
 - c) audit report with the external auditors,
 - d) the assistance given by the employees to the external auditors,
 - e) the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work,
 - f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit 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 auditors.



corporate governance statement

The Board of Directors of PJ Development Holdings Berhad ("The Board") recognises 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 DIRECTORS

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 shareholder 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.

The Company is in compliance with the Listing Requirements of the Bursa Malaysia which requires $\frac{1}{3}$ of the Board members to comprise of independent members. More than one third ($\frac{1}{3}$) 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 engineering. 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, 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 six (6) times during the financial year 2006/2007.

corporate governance statement

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

Executive Directors	Attendance of Meetings
Wong Ah Chiew	6/6
Wong Chong Shee	6/6
Khor Chai Moi	6/6
Yap Yoon Kong	6/6

Non-Executive Directors	Attendance of Meetings
Mohamed Zain Bin Mohamed Yusoff	6/6
Dato' Dr Haji Dzulkarnain bin Shafiee	6/6
Dato' Mohamed Tarmizi bin Mohd Tahir	5/6
YM Ungku Haji Mohd Afandi bin Suleiman	6/6
Au Chun Choong	6/6

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 ensures appropriate structure for management succession.

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

Remuneration Committee

Two (2) Independent 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. Any additional director appointed during the year shall retire at the next AGM of the Company.

1.7 Re-appointment of Director over 70 years of age

In compliance with Section 129 (6) of the Companies Act 1965, Dato’ Dr Haji Dzulkarnain bin Shafiee 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 conclusion of the next AGM. Dato’ Mohamed Tarmizi bin Mohd Tahir, who has attained the age of over 70 years has requested not to seek re-appointment when his term expires at the 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	40,000	60,000	100,000
Directors' Salary, other Emoluments and Benefits	3,256,342	-	3,256,342
Allowances	-	5,700	5,700

ii) Analysis of Remuneration

Range of Remuneration	No. of Directors	
	Executive	Non-Executive
< RM50,000	-	5
RM401,000 - RM450,000	1	-
RM801,000 - RM850,000	1	-
RM1,001,000 - RM1,050,000	1	-
RM1,051,000 - RM1,100,000	1	-

3. SHAREHOLDERS

3.1 Dialogue between Company and Investors

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

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

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

3.2 Annual General Meeting

The Board of Directors 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 30 June 2007, 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 meetings to brief the Audit Committee on the audit plan and on specific issues arising from the annual audit of the Group.

4.6 Corporate Social Responsibility

PJD, as a member of the international business community, recognises its corporate social responsibility commitments to its various stakeholders, which include investors, employees, clients, suppliers and members of the local communities in which it operates.

The Board of Directors of the PJD Group will ensure that all pertinent matters relating to Corporate Social Responsibility ("CSR") are considered and supported in the Group's operations and administrative processes and are consistent with the Group's stakeholders' best interests.

The PJD Group's Corporate Social Responsibility Policy was adopted on 23 May 2007. The Group has been practising its social responsibilities and now with the adoption of the CSR policy, the Group will continue to focus its commitment in the following areas that reflect the existing and emerging standards of CSR such as in the environment, marketplace, workplace and the community.

Activities carried out by our various divisions reflect the commitment the PJD Group places on this responsibility to the community and the environment.

statement on internal control

Introduction

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

The Board recognises the importance of a sound system of internal control and risk management practices for good corporate governance. The Board acknowledges its responsibility for the Group's system of internal control and risk management, and for reviewing the adequacy and integrity of those systems. However, it should be noted that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. As such, they can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management

The Board has established an organizational structure with clearly defined lines of accountability and delegated authority. The responsibilities of the Audit Committee include the work of monitoring all internal controls on its behalf with the assistance of the Group Internal Audit Department.

The Board through the Audit Committee has put in place a Risks Management Committee (RMC), which is chaired by an Executive Director and includes two representatives of the Board and four senior managers whilst each business division's risk management is led by the respective head of division. The RMC oversees the potential risks concerning the business and operations to ensure that they are effectively managed and reports their 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 done by the respective business divisions. 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. Invitees from the respective business divisions attend the RMC meetings to brief the committee on the significant risks identified so that these risks are constantly monitored and appropriate actions are promptly taken. All risk management reports submitted by the business divisions 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 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 Annual Internal Audit plan 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 includes matters that require the Board's approval. These include the establishment of various committees highlighted in the Corporate Governance Statement.
- The Group performs 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. All significant expenditures of capital, operational and investment nature are properly evaluated and approved by the Executive Committee.

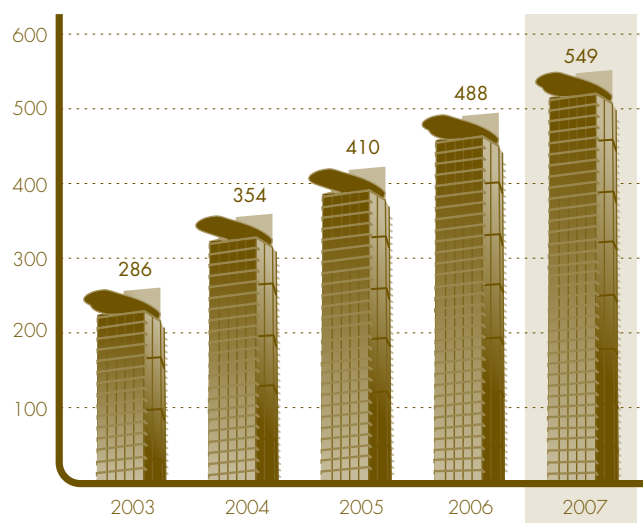
The Board is of the view that the existing system of internal control is adequate and effective and will continue to be reviewed, expanded and/or updated in line with the changes in the business environment. There are presently no significant internal control problems and no material losses were incurred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

five years group financial highlights

Financial Year Ended (RM Million)	2007 June	2006 June	2005 June	2004 June	2003 June
Revenue	549	488	410	354	286
Profit Before Taxation	53.0	34.7	36.2	29.0	1.0
Profit/(Loss) After Taxation And Minority Interest	42.4	28.4	27.6	19.5	(2.0)
Paid-up Capital	456	456	456	456	456
Shareholders' Funds	702	662	706	711	731
Basic Earnings/(Loss) Per Share (sen)	9.3	6.3	6.1	4.3	(0.5)
Dividends Per Share (sen)	5.0	4.0	4.0	4.0	1.0
Net Tangible Assets Per Share (RM)	1.52	1.44	1.53	1.54	1.59

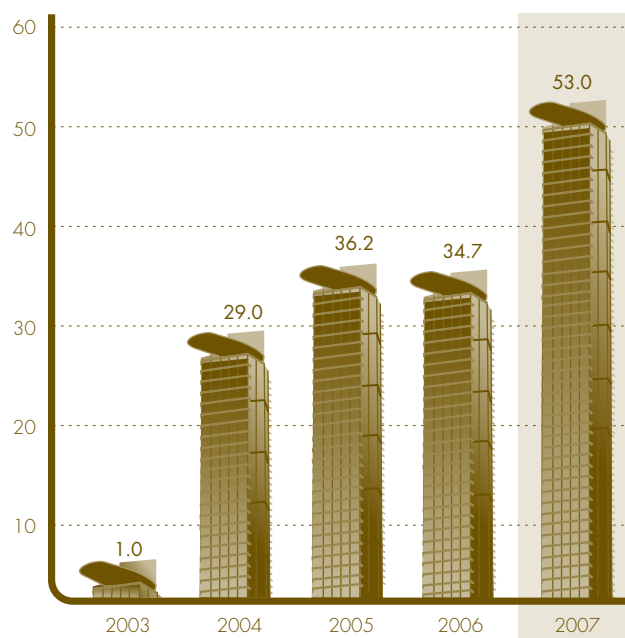
Revenue

RM in million



Profit Before Taxation

RM in million



financial statements

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directors' report for the year ended 30 June 2007

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 2007.

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 30 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
Profit for the year	42,474	16,545

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final ordinary dividends of 4% per ordinary share less tax at 27% totalling RM13,316,000 (2.92 sen net per share) in respect of the year ended 30 June 2006 on 18 January 2007.

The first and final ordinary dividends recommended by the Directors in respect of the year ended 30 June 2007 is 5% per ordinary share less tax at 26% totalling RM16,873,000 (3.70 sen net per share).

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
 Yap Yoon Kong
 Dato' Dr. Haji Dzulkarnain bin Shafiee
 Dato' Mohamed Tarmizi bin Mohd. Tahir
 YM Ungku Haji Mohd. Afandi bin Suleiman
 Au Chun Choong

DIRECTORS' INTERESTS

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:

	Number of ordinary shares of RM1.00 each			At 30.6.2007
	At 1.7.2006	Bought	Sold	
The Company				
<i>Shareholdings in which Directors have direct interest</i>				
Wong Ah Chiew	2,376,000	-	-	2,376,000
Wong Chong Shee	1,300,000	1,500,000	-	2,800,000
Khor Chai Moi	16,587,721	10,352,445	-	26,940,166
Dato' Dr. Haji Dzulkarnain bin Shafiee	34,000	-	(28,000)	6,000
<i>Shareholdings in which Directors have indirect interest</i>				
Wong Ah Chiew *	90,280,281	3,567,400	-	93,847,681
Khor Chai Moi **	110,393,886	4,083,400	(10,352,445)	104,124,841

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:

	Number of Warrants B			At 30.6.2007
	At 1.7.2006	Bought	Sold	
The Company				
<i>Warrantholdings in which Directors have direct interest</i>				
Wong Ah Chiew	402,000	-	-	402,000
Wong Chong Shee	33	-	-	33
Khor Chai Moi	8,791,199	2,901,630	-	11,692,829
Dato' Dr. Haji Dzulkarnain bin Shafiee	4,000	-	-	4,000

directors' report

for the financial year ended 30 June 2007

	Number of Warrants B			
	At 1.7.2006	Bought	Sold	At 30.6.2007

The Company

Warrantholdings in which Directors have indirect interest

Wong Ah Chiew ***	31,593,392	-	-	31,593,392
Khor Chai Moi ****	36,328,862	-	(2,901,630)	33,427,232

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

** By virtue of shares 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. and Ladang Setia Sdn. Bhd.

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 PJ Development Holdings Berhad 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 1.7.2006	Bought	Sold	At 30.6.2007
Damai Laut Golf Resort Sdn. Bhd.	29,500,000	-	-	29,500,000
Swiss-Garden Rewards Sdn. Bhd.	350,000	-	-	350,000

	Number of ordinary shares of 10.00 Thai Baht each			
	At 1.7.2006	Bought	Sold	At 30.6.2007
PJDCI Co., Ltd.	242,500	-	-	242,500
PJDC Co., Ltd.	14,925,000	-	-	14,925,000

	Number of redeemable preference shares of RM1.00 each			
	At 1.7.2006	Bought	Sold	At 30.6.2007
Damai Laut Golf Resort Sdn. Bhd.	20,000,000	-	-	20,000,000

None of the other Directors holding office at 30 June 2007 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 certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business 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 authorised, issued and paid-up capital of the Company during the financial year.

SHARES REPURCHASED

During the year, the Company has repurchased 100,000 of its issued and paid up share capital from the open market for a total consideration of RM40,000. The shares repurchased were not subsequently cancelled and have been classified as treasury shares which were presented as a deduction from total equity.

OPTIONS GRANTED OVER UNISSUED SHARES

Warrants

Warrants B

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

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

As at 30 June 2007, 114,032,898 Warrants B have yet to be converted to ordinary shares.

directors' report for the financial year ended 30 June 2007

OTHER STATUTORY INFORMATION

Before the balance sheets and income 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.

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 2007 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.



SIGNIFICANT EVENTS DURING THE YEAR

- (a) On 3 July 2006, PJD-MM2H Sdn. Bhd. has become a wholly-owned subsidiary of PJD Realty Sdn. Bhd. ("PJDR"), a wholly-owned subsidiary of the Company, with the authorised and paid-up capital of RM100,000 and RM2 respectively.
- (b) The Company has entered into Sale and Purchase Agreements with Willowglen (Malaysia) Sdn. Bhd., a related party, for the disposal of four (4) pieces of land together with 4 units three storey shop offices for a sale consideration of RM2,990,000. The transaction was completed on 30 April 2007.
- (c) On 22 November 2006, PJDR acquired two (2) ordinary shares of RM1 each in Sanubari Sejahtera Sdn. Bhd. ("SSSB"), representing 100% equity interest in SSSB for a cash consideration of RM2.
- (d) Olympic Cable (Singapore) Pte. Ltd. has been granted an Investment License to establish a 100% foreign-owned company known as OVI Cables (Vietnam) Co., Ltd. in the Socialist Republic of Vietnam with a legal capital of USD828,000.
- (e) In May 2007, a subsidiary company of Equity & Property Investment Corporation Limited, an associate of the Company in which the Company holds 27.4% interest, has entered into an option agreement for the disposal of its hotel properties and business for a consideration of AUD135,000,000.

SUBSEQUENT EVENT

On 2 November 2006, the Company, had announced to acquire 100% equity interest in Pravest Sdn. Bhd. ("PSB") through PJDR, for a consideration of RM17,400,000. The authorised share capital of PSB is RM100,000 comprising 100,000 ordinary shares of RM1 each, of which 100,000 ordinary shares of RM1 each have been issued and fully paid-up. PSB has a joint venture agreement with Perbadanan Setiausaha Kerajaan Pahang for the development of 1,000 acres of land in Penor, Kuantan. The purchase of PSB was completed on 20 July 2007.

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Wong Ah Chiew

Wong Chong Shee

Kuala Lumpur, Malaysia
8 October 2007



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 50 to 113 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 June 2007 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, Malaysia
8 October 2007

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 50 to 113 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 in the Federal Territory on 8 October 2007.

Yap Yoon Kong

Before me:

Teong Kian Meng (W147)
Commissioner for Oaths
Kuala Lumpur, Malaysia



report of the auditors to the members of PJ Development Holdings Berhad

We have audited the financial statements set out on pages 50 to 113. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. 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 Financial Reporting Standards 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 2007 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 30 to the financial statements and we have considered their management financial statements and financial statements and the auditors' reports thereon.

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

Peter Ho Kok Wai
Partner
Approval Number: 1745/12/07(J)

Kuala Lumpur, Malaysia
8 October 2007

balance sheets

at 30 june 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000 restated	2007 RM'000	2006 RM'000 restated
Assets					
Property, plant and equipment	3	380,835	382,317	272	361
Intangible assets	4	6,615	6,615	-	-
Prepaid lease payments	5	5,909	5,989	-	-
Investment property	6	6,852	7,060	-	1,978
Investments in subsidiaries	7	-	-	425,857	425,857
Investments in associates	8	37,432	25,638	-	-
Other investments	9	50,519	52,699	-	-
Land held for property development	10	79,895	106,295	-	-
Deferred tax assets	11	4,362	3,407	-	-
Receivables, deposits and prepayments	12	20,678	10,479	251,940	250,504
Total non-current assets		593,097	600,499	678,069	678,700
Property development costs	13	261,166	169,794	-	-
Receivables, deposits and prepayments	12	266,290	234,872	600	237
Inventories	14	29,556	26,284	-	-
Current tax assets		4,379	6,276	3,773	5,225
Cash and cash equivalents	15	32,621	28,703	676	167
Total current assets		594,012	465,929	5,049	5,629
Total assets		1,187,109	1,066,428	683,118	684,329
Equity					
Share capital		456,132	456,132	456,132	456,132
Treasury shares		(40)	-	(40)	-
Reserves		245,694	205,403	91,665	88,436
Total equity attributable to shareholders of the Company		701,786	661,535	547,757	544,568
Minority interest		299	260	-	-
Total equity	16	702,085	661,795	547,757	544,568
Liabilities					
Loans and borrowings	17	81,788	79,385	25,312	31,875
Deferred income	18	30,200	24,867	-	-
Payables and accruals	19	12,154	-	31,223	44,431
Deferred tax liabilities	11	7,062	7,254	-	-
Total non-current liabilities		131,204	111,506	56,535	76,306
Deferred income	18	53,723	41,439	-	-
Payables and accruals	19	113,259	119,757	2,263	885
Loans and borrowings	17	182,614	129,077	76,563	62,570
Current tax liabilities		4,224	2,854	-	-
Total current liabilities		353,820	293,127	78,826	63,455
Total liabilities		485,024	404,633	135,361	139,761
Total equity and liabilities		1,187,109	1,066,428	683,118	684,329

The notes on pages 57 to 113 are an integral part of these financial statements.



income statements

for the year ended 30 june 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue	20	549,358	487,820	33,442	31,073
Results from operating activities	20	62,254	44,340	26,884	25,095
Interest income	20	1,586	773	3,086	2,404
Finance costs	20	(11,388)	(10,155)	(7,883)	(6,744)
Operating profit	20	52,452	34,958	22,087	20,755
Share of profit/(loss) after tax and minority interest of equity accounted associates		547	(265)	-	-
Profit before tax		52,999	34,693	22,087	20,755
Tax expense	21	(10,525)	(6,294)	(5,542)	(5,326)
Profit for the year		42,474	28,399	16,545	15,429
Attributable to:					
Shareholders of the Company		42,377	28,539	16,545	15,429
Minority interest		97	(140)	-	-
Profit for the year		42,474	28,399	16,545	15,429
Basic earnings per ordinary share (sen)	22	9.29	6.26		

The notes on pages 57 to 113 are an integral part of these financial statements.

consolidated statements of changes in equity

for the year ended 30 June 2007

Group	Note	Attributable to shareholders of the Company								Total equity RM'000
		Non-distributable				Distributable				
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	
1 July 2005										
<u>Adjusted retrospectively</u>										
- As previously reported		456,132	39,773	62,848	5,075	-	142,363	706,191	250	706,441
- Effect of adoption of FRS 116	34	-	-	(62,848)	-	-	(350)	(63,198)	-	(63,198)
At 1 July 2005, restated		456,132	39,773	-	5,075	-	142,013	642,993	250	643,243
Foreign exchange translation differences		-	-	-	(3,429)	-	-	(3,429)	-	(3,429)
Net losses recognised directly in equity		-	-	-	(3,429)	-	-	(3,429)	-	(3,429)
Issuance of shares to minority shareholders		-	-	-	-	-	-	-	150	150
Profit for the year		-	-	-	-	-	28,539	28,539	(140)	28,399
Dividends to shareholders	23	-	-	-	-	-	(6,568)	(6,568)	-	(6,568)
At 30 June 2006/ 1 July 2006, restated		456,132	39,773	-	1,646	-	163,984	661,535	260	661,795
At 30 June 2006/1 July 2006										
<u>Adjusted retrospectively</u>										
- As previously reported		456,132	39,773	62,848	1,646	-	164,334	724,733	260	724,993
- Effect of adoption of FRS 116	34	-	-	(62,848)	-	-	(350)	(63,198)	-	(63,198)
At 30 June 2006/ 1 July 2006, restated		456,132	39,773	-	1,646	-	163,984	661,535	260	661,795
Foreign exchange translation differences		-	-	-	(3,105)	-	-	(3,105)	(58)	(3,163)
<u>Adjusted prospectively</u>										
- Effect of adoption of FRS 3	8	-	-	-	-	-	22,005	22,005	-	22,005
- Effect of adoption of FRS 116	8	-	-	-	-	-	(7,670)	(7,670)	-	(7,670)
Net losses recognised directly in equity		-	-	-	(3,105)	-	14,335	11,230	(58)	11,172
Profit for the year		-	-	-	-	-	42,377	42,377	97	42,474
Treasury shares acquired	16	-	-	-	-	(40)	-	(40)	-	(40)
Dividends to shareholders	23	-	-	-	-	-	(13,316)	(13,316)	-	(13,316)
At 30 June 2007		456,132	39,773	-	(1,459)	(40)	207,380	701,786	299	702,085

The notes on pages 57 to 113 are an integral part of these financial statements.



statements of changes in equity

for the year ended 30 june 2007

Company	Note	Non-distributable			Distributable	
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000
At 1 July 2005		456,132	39,773	-	39,802	535,707
Profit for the year		-	-	-	15,429	15,429
Dividends to shareholders	23	-	-	-	(6,568)	(6,568)
At 30 June 2006/1 July 2006		456,132	39,773	-	48,663	544,568
Treasury shares acquired	16	-	-	(40)	-	(40)
Profit for the year		-	-	-	16,545	16,545
Dividends to shareholders	23	-	-	-	(13,316)	(13,316)
At 30 June 2007		456,132	39,773	(40)	51,892	547,757

The notes on pages 57 to 113 are an integral part of these financial statements.

cash flow statements

for the year ended 30 june 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000 restated	2007 RM'000	2006 RM'000 restated
Cash flows from operating activities					
Profit before tax		52,999	34,693	22,087	20,755
<i>Adjustments for:</i>					
Amortisation of goodwill	4	-	647	-	-
Amortisation of prepaid lease payments	5	80	75	-	-
Depreciation of investment properties	6	121	76	21	26
Depreciation of property, plant and equipment	3	18,493	14,062	112	109
Dividend income		(3,915)	(2,519)	(30,025)	(28,300)
Gain on disposal of investments properties		(1,033)	-	(1,033)	-
Gain on disposal of prepaid lease payments		-	(42)	-	-
Gain on disposal of other investments		(871)	-	-	-
Gain on disposal of property, plant and equipment		(963)	(150)	(8)	-
Impairment of property, plant and equipment	3	2,700	-	-	-
Interest expense		10,445	9,046	7,708	6,392
Interest income		(1,586)	(773)	(3,086)	(2,404)
Property, plant and equipment written off	3	611	239	10	1
Allowance for diminution in value of other investments		870	-	-	-
Share of (profit)/loss of equity accounted associates		(547)	265	-	-
Operating profit/(loss) before changes in working capital		77,404	55,619	(4,214)	(3,421)
Change in inventories		(3,272)	1,079	-	-
Change in property development costs and land held for property development		(60,730)	(32,808)	-	-
Change in receivables, deposits and prepayments		(41,692)	(56,417)	(363)	32
Change in payables and accruals		23,273	47,520	1,378	94
Cash (used in)/generated from operations		(5,017)	14,993	(3,199)	(3,295)
Tax paid		(10,879)	(9,912)	-	-
Tax refunded		3,519	3,235	3,342	3,235
Net cash (used in)/generated from operating activities		(12,377)	8,316	143	(60)

	Note	Group		Company	
		2007 RM'000	2006 RM'000 restated	2007 RM'000	2006 RM'000 restated
Cash flows from investing activities					
Acquisition of investment properties	6	(1,870)	-	-	-
Acquisition of property, plant and equipment	3,(ii)	(22,810)	(13,409)	(33)	(30)
Dividends received		2,870	2,694	22,593	20,376
Increase in pledged deposits placed with licensed banks		(6,017)	(7,118)	-	-
Interest received		1,586	773	3,086	2,404
Proceeds from disposal of property, plant and equipment		3,451	409	8	-
Proceeds from disposal of prepaid lease payments		-	96	-	-
Proceeds from disposal of investments properties		2,990	-	2,990	-
Proceeds from disposal of other investments		2,291	-	-	-
Purchase of other investments		(110)	(77)	-	-
Repurchase of treasury shares	16	(40)	-	(40)	-
Net cash (used in)/generated from investing activities		(17,659)	(16,632)	28,604	22,750
Cash flows from financing activities					
Advances to subsidiaries		-	-	(14,644)	(13,404)
Interest paid		(14,687)	(11,116)	(7,708)	(6,392)
Dividends paid to shareholders of the Company	23	(13,316)	(6,568)	(13,316)	(6,568)
Drawdown from loans and borrowings		131,470	61,181	19,000	17,000
Repayment of loans and borrowings		(63,254)	(51,563)	(11,250)	(13,250)
Proceeds from issuance of shares to minority shareholders		-	120	-	-
Net cash generated from/(used in) financing activities		40,213	(7,946)	(27,918)	(22,614)
Net increase/(decrease) in cash and cash equivalents		10,177	(16,262)	829	76
Cash and cash equivalents at 1 July	(i)	3,834	20,096	(153)	(229)
Cash and cash equivalents at 30 June	(i)	14,011	3,834	676	(153)

cash flow statements

for the year ended 30 june 2007

i) Cash and cash equivalents

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

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cash and bank balances	15	15,417	20,765	676	167
Deposits placed with licensed banks (excluding deposits pledged)	15	3,892	643	-	-
Bank overdrafts	17	(5,298)	(17,574)	-	(320)
		14,011	3,834	676	(153)

ii) Acquisition of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM22,810,000 (2006 – RM13,409,000) of which RM nil (2006 – RM58,000) were acquired by means of finance lease/hire purchase.

The notes on pages 57 to 113 are an integral part of these financial statements.



notes to the financial statements

PJ Development Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows:

18th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur

The consolidated financial statements as at and for the year ended 30 June 2007 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in associates. The financial statements of the Company as at and for the year ended 30 June 2007 do not include other entities.

The Company is principally engaged in investment holding and property investment while the other group entities are primarily involved in property development activities, construction activities, manufacturing and trading of cable products, roofing tiles and concrete wall panels, trading of building materials, hotel and restaurant activities, hotel management and consultancy services, timeshare membership, property management services and management and operation of recreational club.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable Financial Reporting Standards (FRSs), accounting principles generally accepted and the provisions of the Companies Act, 1965 in Malaysia. These financial statements also comply with applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The Malaysian Accounting Standards Board has issued the following FRSs and Interpretations that are effective for annual periods beginning after 1 July 2006, and that have not been applied in preparing these financial statements:

FRSs / Interpretations	Effective date
FRS 124, <i>Related Party Disclosures</i>	1 October 2006
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	To be announced
FRS 6, <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2007
Amendment to FRS 121, <i>The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation</i>	1 July 2007
IC Interpretation 1, <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	1 July 2007
IC Interpretation 2, <i>Members' Shares in Co-operative Entities and Similar Instruments</i>	1 July 2007
IC Interpretation 5, <i>Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	1 July 2007
IC Interpretation 6, <i>Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment</i>	1 July 2007
IC Interpretation 7, <i>Applying the Restatement Approach under FRS 129₂₀₀₄ Financial Reporting in Hyperinflationary Economies</i>	1 July 2007
IC Interpretation 8, <i>Scope of FRS 2</i>	1 July 2007
FRS 107, <i>Cash Flow Statements</i>	1 July 2007
FRS 111, <i>Construction Contracts</i>	1 July 2007

notes to the financial statements

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

FRSs / Interpretations	Effective date
FRS 112, <i>Income Taxes</i>	1 July 2007
FRS 118, <i>Revenue</i>	1 July 2007
FRS 119, <i>Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures</i>	1 July 2007
FRS 120, <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	1 July 2007
FRS 134, <i>Interim Financial Reporting</i>	1 July 2007
FRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 July 2007

In this set of financial statements, the Group and the Company has chosen to early adopt FRS 117, *Leases* which is effective for annual periods beginning on or after 1 October 2006.

The Group and the Company plans to apply the rest of the above-mentioned FRSs (except for FRS 139 which its effective date has yet to be announced) and Interpretations for the annual period beginning 1 July 2007.

The impact of applying FRS 124 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed by virtue of the exemption given in the respective standards.

FRS 112 addresses the accounting treatment for income taxes. However, FRS 112 does not prescribe the accounting treatment for reinvestment allowance and investment tax allowance. In the current accounting policy for income taxes, reinvestment allowance or investment tax allowance is treated as the tax base of an asset. The Company has not yet determined whether this accounting policy needs to be changed.

The initial application of these standards and interpretations are not expected to have any material impact on the financial statements of the Group and the Company.

The effects of adopting the new/revised FRSs in 2007 are set out in Note 34.

The financial statements were approved by the Board of Directors on 8 October 2007.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.



1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:-

- Note 4 - measurement of the recoverable amounts of cash-generating units
- Note 11 - recognition of unutilised tax losses and capital allowances
- Note 20 - revenue recognition on sales of properties

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

Certain comparative amounts have been reclassified to conform to the current year's presentation (see Note 35). In addition, the comparative financial statements have been restated to take into account the effects of adopting the new and revised FRSs as mentioned in Note 34.

(a) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities, including unincorporated entities, if any, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

notes to the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(ii) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the income and expenses of the equity accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are stated in the Company's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statement.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Minority interest

Minority interest at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interest in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) *Transactions eliminated on consolidation*

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

(ii) *Operations denominated in functional currencies other than Ringgit Malaysia*

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the balance sheet date. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

On disposal, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

(iii) *Net investment in foreign operations*

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations, are recognised in the Company's income statement. Deferred exchange differences are released to the income statement upon disposal of the investment.

(c) Property, plant and equipment

(i) *Recognition and measurement*

Freehold land and operating equipment are stated at cost less accumulated impairment losses. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

In the previous year, the freehold hotel properties were stated at valuation. The Group revalued its property comprising freehold hotel properties every three (3) to five (5) years or at shorter intervals whenever the fair value of the revalued assets was expected to differ materially from their carrying value.

notes to the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Surpluses arising from revaluation were dealt with in the property revaluation reserve account. Any deficit arising was 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 was charged to the income statement.

The Directors are of the view that this change in policy, which is applied retrospectively, provides information which is more reliable and relevant. The effect of the change in the current and prior period is disclosed in Note 34.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete, at which time it is reclassified as investment property.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property.

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

(iv) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

During the year, the Company depreciated its hotel properties over the remaining useful life of 36 to 43 years arising from a change in the estimate of the residual value of the hotel pursuant to the adoption of FRS 116, Property, Plant and Equipment.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment (continued)

(iv) Depreciation (continued)

In the previous year, no depreciation was provided on freehold hotel properties as it was the Group's practice to maintain these properties in such condition that the residual value was so significant that depreciation would be irrelevant. The carrying amount of the Group's hotel properties were reviewed at each balance sheet date to determine whether there is any indication of impairment.

The change in estimate resulted in an increase of RM3,849,000 in depreciation charge for the year and a corresponding decrease of the profit for the year.

The estimated useful lives for the current and comparative periods are as follows:

• Freehold hotel properties	over the remaining useful life of 36 – 42 years
• Leasehold hotel properties	over the remaining useful life of 43 years
• Buildings and improvements	5 – 50 years
• Jetty and infrastructure	50 years
• Plant, machinery and electrical installation	5 – 20 years
• Motor vehicles and boats	5 – 10 years
• Hotel furniture, fittings and equipment	5 – 10 years
• Furniture, fittings and equipment	5 – 10 years
• Computers	3 – 5 years

The base stock of operating equipment for hotel properties is not depreciated and 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 base stock.

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(d) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and, except for leasehold land classified as investment property, the leased assets are not recognised on the Group's balance sheet. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Accounting policy note on Leasehold land / Prepaid lease payments

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided except for leasehold land classified as investment property.



notes to the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Leased assets (continued)

The Group had previously classified a lease of land as finance lease and had recognised the amount of prepaid lease payments as property within its property, plant and equipment. On early adoption of FRS 117, Leases, the Group treats such a lease as an operating lease, with the unamortised carrying amount classified as prepaid lease payments in accordance with the transitional provisions in FRS 117.67A.

The prepaid lease payments are amortised over the lease term ranging from 56 years to 96 years.

(e) Intangible assets

(i) Goodwill

Goodwill (negative goodwill) arises on the acquisition of subsidiaries, associates and joint ventures.

For acquisitions prior to 1 July 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

With the adoption of FRS 3 beginning 1 July 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Amortised goodwill and negative goodwill

Before adoption of FRS 3, goodwill was measured at cost less accumulated amortisation and impairment losses. Goodwill was amortised from the date of initial recognition over its estimated useful life of not more than 20 years. Impairment tests on goodwill were performed when there were indications of impairment. Negative goodwill, not exceeding the fair values of the non-monetary assets acquired, was recognised in the income statement over the weighted average useful life of those assets that were amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired was recognised immediately in the income statement. To the extent that negative goodwill related to expectation of future losses and expenses that were identified in the plan of acquisition and could be measured reliably, but which were not identifiable liabilities at the date of acquisition, that portion of negative goodwill was recognised in the income statement when the future losses and expenses were recognised.

Following the adoption of FRS 3, goodwill is measured at cost and is no longer amortised but tested for impairment at least annually or more frequently when there is objective evidence of impairment. When the excess is negative (negative goodwill), it is recognised immediately in the income statement. The carrying amount of negative goodwill at 1 July 2006 is derecognised with a corresponding adjustment to the opening balance of retained earnings.

Goodwill is allocated to cash-generating units and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The entire carrying amount of the investment is tested for impairment when there is objective evidence of impairment.

(f) Investments in equity securities

Investments in equity securities are recognised initially at fair value plus attributable transaction costs.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investments in equity securities (continued)

Subsequent to initial recognition:

- Investments in non-current equity securities other than investments in subsidiaries and associates are stated at cost less allowance for diminution in value
- All current investments are carried at the lower of cost and market value, determined on an individual investment basis by category of investments

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities other than investment in subsidiaries and associates, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

All investments in equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

- a) the recognition of an asset on the day it is received by the entity, and
- b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

(g) Investment property

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less accumulated depreciation and impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note (c).

In the previous years, all investment properties were included in property, plant and equipment and inventories. Following the adoption of FRS 140, Investment Property, these investment properties are now classified separately. Transfers between investment property, property, plant and equipment and inventories do not change the carrying amount and the cost of the property transferred.

Depreciation is charged to the income statement on a straightline basis over the estimated useful lives of 56 to 96 years for buildings. Freehold land is not depreciated.

(h) 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.

notes to the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Land held for property development (continued)

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. Upon first adoption of FRS 201₂₀₀₄, the Group which had previously recorded the land at revalued amount continues to retain this amount as its surrogate cost.

(i) Property development costs

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

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

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

(j) 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*

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(k) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Constructions work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billing and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of receivables, deposits and prepayments in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

(m) 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.

(n) Impairment of assets

The carrying amounts of assets except for financial assets, inventories, assets arising from construction and development contracts and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the 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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(o) Share capital

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

notes to the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the loans and borrowings using the effective interest method.

(q) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to the Employees' Provident Fund is charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(r) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(s) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(t) Revenue

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Revenue (continued)

(ii) Services

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.

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.

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.

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.

(iii) Construction contracts

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the income statement in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the income statement.

(iv) 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.

notes to the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Revenue (continued)

(v) *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.

(vi) *Rental income*

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(vii) *Dividend income*

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

(u) 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 as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(v) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statement using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(w) Tax expense

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



2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Tax expense (continued)

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(x) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(y) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

notes to the financial statements

3. PROPERTY, PLANT AND EQUIPMENT

Group	Note	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:									
As previously reported		219,919	91,800	20,447	29,453	6,265	41,045	29,527	438,456
Transfer from inventories		-	-	-	-	-	2,242	-	2,242
Transfer to investment property	6	-	-	-	(775)	-	(4,840)	-	(5,615)
Effect of adopting FRS 116		(64,082)	(20,763)	-	-	-	-	-	(84,845)
Effect of adopting FRS 117	5	-	(482)	-	-	(6,265)	-	-	(6,747)
Cost									
1 July 2005, restated		155,837	70,555	20,447	28,678	-	38,447	29,527	343,491
Additions		1,619	-	-	3,613	-	1,539	-	6,771
At 30 June 2006/1 July 2006, restated		157,456	70,555	20,447	32,291	-	39,986	29,527	350,262
Additions		162	-	-	1,371	-	2,527	-	4,060
Disposals		-	-	-	(2,367)	-	-	-	(2,367)
Transfers		(18,779)	-	-	18,779	-	-	-	-
Write off		-	-	-	-	-	(200)	(59)	(259)
At 30 June 2007		138,839	70,555	20,447	50,074	-	42,313	29,468	351,696

Group	Note	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:									
As previously reported		438,456	58,201	8,213	48,779	13,911	3,923	27	571,510
Transfer from inventories		2,242	-	-	-	-	-	-	2,242
Transfer to investment property	6	(5,615)	-	-	-	-	-	-	(5,615)
Effect of adopting FRS 116		(84,845)	-	-	-	-	-	-	(84,845)
Effect of adopting FRS 117	5	(6,747)	-	-	-	-	-	-	(6,747)
Cost									
1 July 2005, restated		343,491	58,201	8,213	48,779	13,911	3,923	27	476,545
Additions		6,771	967	491	2,206	2,482	299	193	13,409
Disposals		-	(679)	(615)	(270)	(103)	(36)	-	(1,703)
Transfers		-	(195)	-	(1)	195	-	1	-
Write off		-	-	(394)	(246)	(10)	(42)	(1)	(693)
At 30 June 2006/1 July 2006, restated		350,262	58,294	7,695	50,468	16,475	4,144	220	487,558
Additions		4,060	1,098	1,006	3,559	2,164	409	10,514	22,810
Disposals		(2,367)	(140)	(419)	(1,431)	(100)	(54)	-	(4,511)
Transfers		-	(56)	56	-	(1)	1	-	-
Write off		(259)	(2)	-	(1,311)	(288)	(34)	-	(1,894)
At 30 June 2007		351,696	59,194	8,338	51,285	18,250	4,466	10,734	503,963

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	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
Depreciation and impairment losses									
At 1 July 2005:									
As previously reported									
		-	1,020	-	-	674	4,657	3,144	9,495
		-	18,320	-	-	-	-	-	18,320
		-	19,340	-	-	674	4,657	3,144	27,815
Transfer		-	-	-	-	(45)	-	-	(45)
Offset of accumulated depreciation on property transferred to investment property	6	-	-	-	-	-	(673)	-	(673)
Effect of adopting FRS 116		-	(18,320)	-	-	-	-	-	(18,320)
Effect of adopting FRS 117	5	-	-	-	-	(629)	-	-	(629)
At 1 July 2005, restated									
		-	1,020	-	-	-	3,984	3,144	8,148
		-	-	-	-	-	-	-	-
		-	1,020	-	-	-	3,984	3,144	8,148
Depreciation for the year		-	1,020	-	-	-	871	616	2,507
At 30 June 2006 / 1 July 2006, restated									
		-	2,040	-	-	-	4,855	3,760	10,655
		-	-	-	-	-	-	-	-
		-	2,040	-	-	-	4,855	3,760	10,655
Depreciation for the year		3,255	1,594	-	-	-	900	597	6,346
Write off		-	-	-	-	-	(1)	(9)	(10)
Impairment loss		-	-	-	-	-	2,700	-	2,700
At 30 June 2007:									
		3,255	3,634	-	-	-	5,754	4,348	16,991
		-	-	-	-	-	2,700	-	2,700
		3,255	3,634	-	-	-	8,454	4,348	19,691
Carrying amounts									
At 1 July 2005, restated		155,837	69,535	20,447	28,678	-	34,463	26,383	335,343
At 30 June 2006/1 July 2006, restated		157,456	68,515	20,447	32,291	-	35,131	25,767	339,607
At 30 June 2007		135,584	66,921	20,447	50,074	-	33,859	25,120	332,005

notes to the financial statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	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
Depreciation and impairment losses									
At 1 July 2005:									
As previously reported									
Accumulated depreciation		9,495	39,826	4,190	30,989	7,055	2,824	-	94,379
Accumulated impairment losses		18,320	-	-	-	-	-	-	18,320
		27,815	39,826	4,190	30,989	7,055	2,824	-	112,699
Transfer		(45)	-	45	-	-	-	-	-
Offset of accumulated depreciation on property transferred to investment property	6	(673)	-	-	-	-	-	-	(673)
Effect of adopting FRS 116		(18,320)	-	-	-	-	-	-	(18,320)
Effect of adopting FRS 117	5	(629)	-	-	-	-	-	-	(629)
At 1 July 2005, restated:									
Accumulated depreciation		8,148	39,826	4,235	30,989	7,055	2,824	-	93,077
Accumulated impairment losses		-	-	-	-	-	-	-	-
		8,148	39,826	4,235	30,989	7,055	2,824	-	93,077
Depreciation for the year		2,507	4,706	1,140	3,460	1,831	418	-	14,062
Disposals		-	(676)	(457)	(174)	(101)	(36)	-	(1,444)
Transfers		-	3	2	-	(5)	-	-	-
Write off		-	-	(394)	(15)	(4)	(41)	-	(454)
At 30 June 2006/1 July 2006, restated:									
Accumulated depreciation		10,655	43,859	4,526	34,260	8,776	3,165	-	105,241
Accumulated impairment losses		-	-	-	-	-	-	-	-
		10,655	43,859	4,526	34,260	8,776	3,165	-	105,241
Depreciation for the year		6,346	4,513	1,191	3,979	2,115	349	-	18,493
Disposals		-	(100)	(416)	(1,389)	(65)	(53)	-	(2,023)
Transfers		-	(56)	56	-	(1)	1	-	-
Write off		(10)	-	-	(968)	(273)	(32)	-	(1,283)
Impairment losses		2,700	-	-	-	-	-	-	2,700
At 30 June 2007:									
Accumulated depreciation		16,991	48,216	5,357	35,882	10,552	3,430	-	120,428
Accumulated impairment loss		2,700	-	-	-	-	-	-	2,700
		19,691	48,216	5,357	35,882	10,552	3,430	-	123,128
Carrying amounts									
At 1 July 2005, restated		335,343	18,375	3,978	17,790	6,856	1,099	27	383,468
At 30 June 2006/1 July 2006, restated		339,607	14,435	3,169	16,208	7,699	979	220	382,317
At 30 June 2007		332,005	10,978	2,981	15,403	7,698	1,036	10,734	380,835



3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Note	Building RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 July 2005					
As previously reported		2,338	989	415	3,742
Transfer to investment property	6	(2,338)	-	-	(2,338)
At 1 July 2005, restated		-	989	415	1,404
Additions		-	30	-	30
Write off		-	(1)	-	(1)
At 30 June 2006/1 July 2006, restated		-	1,018	415	1,433
Additions		-	33	-	33
Write off		-	(252)	-	(252)
Disposal		-	-	(156)	(156)
At 30 June 2007		-	799	259	1,058
Depreciation					
At 1 July 2005					
As previously reported		334	759	204	1,297
Offset of accumulated depreciation on property transferred to investment property	6	(334)	-	-	(334)
At 1 July 2005, restated		-	759	204	963
Depreciation for the year		-	57	52	109
At 30 June 2006/1 July 2006, restated		-	816	256	1,072
Depreciation for the year		-	60	52	112
Write off		-	(242)	-	(242)
Disposal		-	-	(156)	(156)
At 30 June 2007		-	634	152	786
Carrying amounts					
At 1 July 2005, restated		-	230	211	441
At 30 June 2006/1 July 2006, restated		-	202	159	361
At 30 June 2007		-	165	107	272

Security

The freehold land and buildings of certain subsidiaries with carrying value of RM32,542,000 (2006 – RM32,476,000) are pledged to licensed financial institutions to secure banking facilities granted to the Company and certain subsidiaries.

The freehold land with buildings classified as hotel properties of certain subsidiaries with a carrying value of RM154,363,000 (2006, restated – RM157,457,000) are pledged to licensed financial institutions to secure banking facilities granted to the Company and certain subsidiaries.

notes to the financial statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Security (continued)

Other property, plant and equipment of a subsidiary with a carrying value of RM4,348,000 (2006 - RM5,360,000) has been pledged to a licensed financial institution to secure banking facilities granted to the subsidiary (see Note 17).

Impairment loss

During the year, the carrying amount of buildings of a subsidiary was written down by RM2,700,000 to its recoverable amount.

Change in estimates

During the year ended 30 June 2007 the Group depreciated its hotel properties over the remaining useful life of 36 to 43 years arising from a change in the estimate of the residual value of the hotel pursuant to the adoption of FRS 116, Property, Plant and Equipment. As a result, their expected residual values decreased. The effect of these changes on depreciation expense, recognised in other expenses, in current and future periods is as follows:

	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	Later RM'000
Increase in depreciation expense	3,849	3,849	3,849	3,849	3,849	177,232

4. INTANGIBLE ASSETS

Group	Goodwill RM'000
Cost	
At 1 July 2005/30 June 2006	13,147
Effect of adopting FRS 3	(6,532)
At 1 July 2006, restated/At 30 June 2007	6,615
Amortisation	
1 July 2005	
Accumulated amortisation	5,885
Amortisation for the year	647
At 30 June 2006/1 July 2006:	
Accumulated amortisation	6,532
Effect of adopting FRS 3	(6,532)
At 1 July 2006, restated/30 June 2007	-
Carrying amounts	
At 1 July 2005	7,262
At 30 June 2006/1 July 2006	6,615
At 30 June 2007	6,615

Impairment testing for cash-generating units containing goodwill

For the purpose of impairing testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.



4. INTANGIBLE ASSETS (CONTINUED)

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Group	
	2007 RM'000	2006 RM'000
Manufacturing and trading	4,230	4,230
Hotel and leisure	2,385	2,385
	<u>6,615</u>	<u>6,615</u>

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit based on actual operating results and management's assessment of future trends in the respective industries derived from both external sources and internal sources (internal data).

The above estimates are particularly sensitive to fluctuations in the following areas:

- The average occupancy rates and the average room rates
- The trend of global market of copper and aluminum

5. PREPAID LEASE PAYMENTS

Group	Note	Leasehold land unexpired period more than 50 years RM'000
Cost		
At 1 July 2005:		
As previously reported		-
Effect of adopting FRS 117	3	<u>6,747</u>
At 1 July 2005, restated		6,747
Disposals		<u>(61)</u>
At 30 June 2006/1 July 2006, restated		6,686
At 30 June 2007		<u>6,686</u>
Amortisation		
At 1 July 2005:		
As previously reported		-
Effect of adopting FRS 117	3	<u>629</u>
At 1 July 2005, restated		629
Amortisation for the year		75
Disposals		<u>(7)</u>
At 30 June 2006/1 July 2006, restated		697
Amortisation for the year		80
At 30 June 2007		<u>777</u>

notes to the financial statements

5. PREPAID LEASE PAYMENTS (CONTINUED)

Group	Note	Leasehold land unexpired period more than 50 years RM'000
Carrying amounts		
At 1 July 2005, restated	3	6,118
At 30 June 2006/1 July 2006, restated		5,989
At 30 June 2007		5,909

Security

The leasehold land of certain subsidiaries with carrying value of RM5,434,000 (2006 – RM5,509,000) are pledged to licensed financial institutions to secure banking facilities granted to certain subsidiaries.

6. INVESTMENT PROPERTY

Group	Note	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost				
At 1 July 2005				
As previously reported		-	-	-
Transfer from inventories		-	2,194	2,194
Transfer from property, plant and equipment	3	775	4,840	5,615
At 1 July 2005/30 June 2006, restated		775	7,034	7,809
Additions		-	1,870	1,870
Disposals		-	(2,338)	(2,338)
At 30 June 2007		775	6,566	7,341
Depreciation				
At 1 July 2005				
As previously reported		-	-	-
Transfer from property, plant and equipment	3	-	673	673
At 1 July 2005, restated		-	673	673
Depreciation for the year		-	76	76
At 30 June 2006, restated		-	749	749
Depreciation for the year		-	121	121
Disposals		-	(381)	(381)
At 30 June 2007		-	489	489
Carrying amounts				
At 1 July 2005, restated		775	6,361	7,136
At 30 June 2006/1 July 2006, restated		775	6,285	7,060
At 30 June 2007		775	6,077	6,852
Fair value				
At 30 June 2007				6,348



6. INVESTMENT PROPERTY (CONTINUED)

Company	Note	Buildings RM'000
Cost		
At 1 July 2005		-
As previously reported		-
Transfer from property, plant and equipment	3	2,338
At 1 July 2005/30 June 2006, restated		2,338
Disposals		(2,338)
At 30 June 2007		-
Depreciation		
At 1 July 2005		-
Transfer from property, plant and equipment	3	334
At 1 July 2005/1 July 2006, restated		334
Depreciation for the year		26
At 30 June 2006/1 July 2006, restated		360
Depreciation for the year		21
Disposals		(381)
At 30 June 2007		-
Carrying amounts		
At 1 July 2005, restated		2,004
At 30 June 2006/1 July 2006, restated		1,978
At 30 June 2007		-

Investment property comprises a number of shop lots that are leased to 3rd parties. Each of the leases contains an initial non-cancellable period of 2 years (see Note 26). Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of the investment properties were derived from published property market reports and Directors' assessment based on indicative values obtained from independent professional valuers.

Security

The investment property of certain subsidiaries with carrying value of RM6,411,000 (2006 - RM2,887,000) are pledged to licensed financial institutions to secure banking facilities granted to the Company and certain subsidiaries.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2007 RM'000	2006 RM'000
At cost:		
Unquoted shares	447,512	447,512
Less: Impairment loss	(21,655)	(21,655)
	425,857	425,857

Details of the subsidiaries are shown in Note 30.

notes to the financial statements

8. INVESTMENTS IN ASSOCIATES

	Group	
	2007 RM'000	2006 RM'000
At cost:		
Unquoted shares in Malaysia	2	2
Unquoted shares in overseas	23,919	23,919
Share of post acquisition reserve at 1 July	170	-
Effect of adopting FRS 3	22,005	-
Effect of adopting FRS 116*	(7,670)	-
Share of post acquisition reserve at 30 June	547	170
Share of post-acquisition reserves	15,052	170
Exchange translation reserves	(1,541)	1,547
	37,432	25,638

* This represents the reversal of pre-acquisition revaluation reserve arising from implementation of FRS 116 which reduces the negative goodwill correspondingly.

Summary financial information on associates:

Group	Country of incorporation	Effective ownership interest 2007 %	Revenues (100%) RM'000	Profit/(Loss) (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
2007						
Sun-PJDC Sdn. Bhd. *	Malaysia	50.00	45,975	(3)	29,290	29,299
Equity & Property Investment Corporation Limited *	Australia	27.40	52,994	3,821	202,815	75,381
			98,969	3,818	232,105	104,680
2006						
Sun-PJDC Sdn. Bhd. *	Malaysia	50.00	41,380	(3)	21,497	21,503
Equity & Property Investment Corporation Limited *	Australia	27.40	47,820	(76)	141,877	27,184
			89,200	(79)	163,374	48,687

* The associate was equity accounted using management accounts.

9. OTHER INVESTMENTS

	Group	
	2007 RM'000	2006 RM'000
Non-current		
At cost:		
Unquoted shares in Malaysia	34	34
Quoted shares in Malaysia	58,920	58,920
Quoted warrants in Malaysia	482	482
Other quoted investments in Malaysia	-	2,445
	59,436	61,881
Less: Allowance for diminution in value		
Quoted shares in Malaysia	(8,917)	(8,047)
Other quoted investments in Malaysia	-	(1,135)
	(8,917)	(9,182)
	50,519	52,699
Market value:		
Quoted shares in Malaysia	84,858	38,810
Quoted warrants in Malaysia	756	257
Other quoted investments in Malaysia	-	1,824
Details of disposed investments stated at cost are as follows:		
Proceeds from disposal	2,291	-
Carrying amount of other investments disposed	(1,420)	-
Gain on disposal of other investments	871	-

Certain quoted investments in Malaysia with a carrying value of RM50,016,000 (2006 - RM51,355,000) have been pledged to licensed financial institutions as security for banking facilities granted to the Company.

The quoted investments include investments in companies in which certain Directors and close members of their families have interests.

notes to the financial statements

10. LAND HELD FOR PROPERTY DEVELOPMENT

	Note	Group	
		2007 RM'000	2006 RM'000
At cost:			
At 1 July		106,295	142,817
Additions		2,053	7,820
Transfer to property development costs	13	(24,949)	(43,990)
Disposal of land		-	(352)
Charged to income statement		(3,489)	-
Write off		(15)	-
At 30 June		79,895	106,295
Representing:			
Land		62,576	77,124
Land development costs		17,319	29,171
		79,895	106,295

Certain land held for property development with a carrying value of RM33,780,000 (2006 - RM39,348,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries.

11. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Property, plant and equipment						
- capital allowances in excess of depreciation	-	-	(12,440)	(10,934)	(12,440)	(10,934)
Revaluation	9	-	-	-	9	-
Property development cost	2,463	-	(2,988)	(2,988)	(525)	(2,988)
Capital allowances carry-forward	6,532	5,491	-	-	6,532	5,491
Tax loss carry-forwards	1,977	401	-	-	1,977	401
Allowances	417	872	-	-	417	872
Deductible temporary differences	1,330	3,311	-	-	1,330	3,311
Tax assets/(liabilities)	12,728	10,075	(15,428)	(13,922)	(2,700)	(3,847)
Set off of tax	(8,366)	(6,668)	8,366	6,668	-	-
Net tax assets/(liabilities)	4,362	3,407	(7,062)	(7,254)	(2,700)	(3,847)

11. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Recognised deferred tax assets and liabilities (continued)

In recognising the deferred tax assets attributable to unutilised tax loss carry-forwards and unutilised capital allowance carry-forwards the Directors made an assumption that there will not be any substantial change (more than 50%) in the shareholders before these assets are utilised. If there is substantial change in the shareholders, unutilised tax loss carry-forwards and unutilised capital allowance carry-forwards amounting to approximately RM7,322,000 (2006 - RM1,432,000) and RM24,193,000 (2006 - RM19,611,000) respectively will not be available to the Group, resulting in an increase in net deferred tax liabilities of RM8,509,000 (2006 - RM5,892,000).

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Taxable temporary differences	(8,142)	(10,725)	-	(156)
Deductible temporary differences	4,319	4,335	-	-
Capital allowances carry-forwards	17,462	20,974	-	771
Tax loss carry-forwards	10,976	12,760	-	-
	24,615	27,344	-	615

The deductible temporary differences do not expire under current tax legislation unless there is a substantial change in shareholders (more than 50%). If there is substantial change in shareholders, unutilised tax loss carry-forwards and unutilised capital allowance carry-forwards amounting to RM40,652,000 and RM64,674,000 will not be available to the Group.

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 or respective subsidiaries can utilise the benefits there from.

Movement in temporary differences during the year

Group	At 1.7.2005 RM'000	Recognised in income statement (note 21) RM'000	At 30.6.2006 RM'000	Recognised in income statement (note 21) RM'000	At 30.6.2007 RM'000
	Deferred tax liabilities				
Property, plant and equipment					
- capital allowance in excess of depreciation	(3,998)	(6,936)	(10,934)	(1,506)	(12,440)
Revaluation	-	-	-	9	9
Property development costs	(2,988)	-	(2,988)	2,463	(525)
Unabsorbed capital allowances	7	5,484	5,491	1,041	6,532
Unutilised tax losses	11	390	401	1,576	1,977
Allowances	318	554	872	(455)	417
Deductible temporary differences	2,778	533	3,311	(1,981)	1,330
	(3,872)	25	(3,847)	1,147	(2,700)

notes to the financial statements

11. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Movement in unrecognised deferred tax during the year

	At 1.7.2005 RM'000	Addition/ (Recognition) RM'000	At 30.6.2006 RM'000	Addition/ (Recognition) RM'000	At 30.6.2007 RM'000
Group					
Taxable temporary differences	(18,685)	7,960	(10,725)	2,583	(8,142)
Deductible temporary differences	5,396	(1,061)	4,335	(16)	4,319
Unabsorbed capital allowances	25,428	(4,454)	20,974	(3,512)	17,462
Unutilised tax losses	12,283	477	12,760	(1,784)	10,976
Allowances	54	(54)	-	-	-
	24,476	2,868	27,344	(2,729)	24,615
Company					
Taxable temporary difference	(116)	(40)	(156)	156	-
Unabsorbed capital allowances	660	111	771	(771)	-
	544	71	615	(615)	-

12. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Non-current					
Trade					
Trade receivables	a	20,678	10,479	-	-
Non-trade					
Amounts due from subsidiaries	b	-	-	251,940	250,504
		20,678	10,479	251,940	250,504
Current					
Trade					
Trade receivables		135,538	144,976	-	-
Less: Allowance for doubtful debts		(4,886)	(2,801)	-	-
	a	130,652	142,175	-	-
Accrued billings		44,116	30,491	-	-
Construction work-in-progress	c	33,470	29,891	-	-
		208,238	202,557	-	-
Non-trade					
Other receivables	d	45,830	14,234	442	26
Less: Allowance for doubtful debts		(88)	(198)	-	-
		45,742	14,036	442	26
Deposits	d	10,075	15,982	17	79
Prepayments		2,235	2,297	141	132
		58,052	32,315	600	237
		266,290	234,872	600	237



12. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Note a

All trade receivables are denominated in the functional currency, which is in Ringgit Malaysia ("RM").

Trade receivables of the Group include timeshare membership fees amounting to RM31,990,000 (2006 - RM22,093,000) receivable from customers via monthly instalments ranging from 12 to 60 months.

Included in trade receivables of the Group are retention sums receivable amounting to RM17,055,000 (2006 - RM16,766,000).

Retentions are unsecured, interestfree and are expected to be collected as follows:

	2007 RM'000	2006 RM'000
Within 1 year	13,777	10,552
1 – 2 years	226	6,214
2 – 3 years	3,052	-
	<u>17,055</u>	<u>16,766</u>

Note b

Amount due from subsidiaries is in respect of advances, which are unsecured and interest free, except for RM236,037,000 (2006 – RM228,743,000), which is subject to interest rate at 1.21% (2006 – 1.06%) per annum.

The amount due is not receivable within 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.

Note c

	Note	Group	
		2007 RM'000	2006 RM'000
Aggregate costs incurred to date		822,585	707,252
Add: Attributable profits		54,334	50,363
		<u>876,919</u>	<u>757,615</u>
Less: Progress billings		(895,710)	(768,935)
		<u>(18,791)</u>	<u>(11,320)</u>
Customer advances for construction work-in-progress	18	52,261	41,211
		<u>33,470</u>	<u>29,891</u>

Note d

Included in other receivables of the Group are advances to and payments made on behalf of subcontractors amounting to RM4,986,000 (2006 – RM3,809,000), which are unsecured, interest free and have no fixed terms of repayment.

Included in deposits of the Group is a deposit paid for the acquisition of land amounting to RM3,000,000 (2006 – RM7,337,000).

notes to the financial statements

13. PROPERTY DEVELOPMENT COSTS

	Note	Group	
		2007 RM'000	2006 RM'000
At 1 July			
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
Transfer from land held for property development	10	24,949	43,990
Acquisition of land		30,518	-
Development costs incurred during the year		123,710	120,307
Reversal of accrued development cost		-	(846)
Cost charged to income statement for the year		(87,422)	(91,926)
Completed developments			
- Reversal of development costs		(78,650)	-
- Reversal of costs charged to income statement		78,267	-
		91,372	71,525
Transfer to developed properties held for sale		-	(125)
At 30 June		261,166	169,794
Represented by:			
Land		180,989	112,392
Development costs		456,096	428,169
Accumulated costs charged to income statement		(375,919)	(370,767)
		261,166	169,794

Property development costs incurred during the financial year include:

	Group	
	2007 RM'000	2006 RM'000
Interest expense	4,242	2,070

Interest is capitalised in property development costs at rates ranging from 1.21% to 8.25% (2006 - 1.06% to 8.30%) 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 RM275,236,000 (2006 – RM125,532,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries.



14. INVENTORIES

	Group	
	2007 RM'000	2006 RM'000 restated
At cost		
Developed properties held for sale	2,667	4,507
Raw materials	9,225	7,043
Work-in-progress	3,738	2,937
Manufactured inventories	12,112	9,932
Spares and consumables	1,814	1,865
	29,556	26,284

In 2007, inventories recognised as cost of sales amounted to RM164,886,000 (2006 - RM133,792,000).

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deposits are placed with licensed banks	17,204	7,938	-	-
Cash and bank balances	15,417	20,765	676	167
	32,621	28,703	676	167

The Group's cash and bank balances include RM4,827,000 (2006 – RM12,228,000), the utilisation of which is subject to the Housing Developers (Housing Development Account) Regulations 2002.

Deposits placed with licensed banks pledged for a bank facility

Included in the deposits placed with licensed banks is RM13,312,000 (2006 – RM7,295,000) pledged for bank guarantee facilities granted to a subsidiary.

16. CAPITAL AND RESERVES

Group and Company

	Group		Company	
	Amount 2007 RM'000	Number of shares 2007 '000	Amount 2006 RM'000	Number of shares 2006 '000
Authorised:				
Ordinary shares of RM1 each	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of RM1 each	456,132	456,132	456,132	456,132

notes to the financial statements

16. CAPITAL AND RESERVES (CONTINUED)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Translation reserve

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

Share premium

The share premium is arrived at after accounting for the premium received less expenses over the nominal value of shares issued to the public, less the subsequent capitalisation for bonus issue of the Company.

Treasury shares

The shareholders of the Company, by the ordinary resolution passed in the annual general meeting held on 23 November 2005, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the year, Company repurchased 100,000 ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.39 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased were retained as treasury shares.

Details of the repurchase of shares were as follows:

	Average purchase price RM	Highest purchase price RM	Lowest purchase price RM	Number of shares purchased	Total consideration RM
2007					
August	0.39	0.40	0.39	100,000	39,645

Section 108 tax credit

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 2007 if paid out as dividends.

17. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's and the Company's interest-bearing loans and borrowings. For more information about the Group's and Company's exposure to interest rate and foreign currency risk, see Note 25.



17. LOANS AND BORROWINGS (CONTINUED)

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Non-current				
Secured term loans	81,778	79,355	25,312	31,875
Hire purchase liabilities	10	30	-	-
	81,788	79,385	25,312	31,875
Current				
Secured term loans	25,842	18,410	11,563	11,250
Secured bank overdrafts	2,971	12,857	-	320
Unsecured bank overdrafts	2,327	4,717	-	-
Secured bankers' acceptances	4,026	3,358	-	-
Unsecured bankers' acceptances	26,398	21,216	-	-
Secured revolving credits	107,000	56,000	65,000	51,000
Unsecured revolving credits	12,500	12,500	-	-
Hire purchase liabilities	19	19	-	-
Unsecured promissory note	1,531	-	-	-
	182,614	129,077	76,563	62,570
	264,402	208,462	101,875	94,445

All loans and borrowings are denominated in the functional currency, which is in Ringgit Malaysia ("RM").

Security

The Company's bank borrowings are secured by way of charges over certain subsidiaries' hotel properties and buildings (Note 3), investment property (Note 6) and quoted investments (Note 9).

The bank borrowings of subsidiaries are secured by way of charges over certain subsidiaries' freehold land and buildings, hotel properties and other property, plant and equipment (Note 3), prepaid lease payments (Note 5), land held for property development (Note 10), property development costs (Note 13) and corporate guarantee by the Company.

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:

- i) not to amend the Memorandum and Articles of Association in a manner inconsistent with the provisions of the lenders' Letters of Offer;
- ii) not to sell, lease or transfer all or any substantial part of its assets;
- iii) not to allow any change in its existing shareholders or their shareholdings and/or undertake a scheme or merger or amalgamation;
- iv) not to decrease the authorised or issued share capital; and
- v) 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.

notes to the financial statements

17. LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule

Group	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
2007						
Secured term loans	2014	107,620	25,845	24,923	56,852	-
Secured bank overdrafts	2008	2,971	2,971	-	-	-
Unsecured bank overdrafts	2008	2,327	2,327	-	-	-
Secured bankers' acceptances	2008	4,026	4,026	-	-	-
Unsecured bankers' acceptances	2008	26,398	26,398	-	-	-
Secured revolving credits	2008	107,000	107,000	-	-	-
Unsecured revolving credits	2008	12,500	12,500	-	-	-
Hire purchase liabilities	2009	29	19	10	-	-
Unsecured promissory note	2008	1,531	1,531	-	-	-
		264,402	182,617	24,933	56,852	-
2006						
Secured term loans	2014	97,765	18,410	21,296	56,522	1,537
Secured bank overdrafts	2007	12,857	12,857	-	-	-
Unsecured bank overdrafts	2007	4,717	4,717	-	-	-
Secured bankers' acceptances	2007	3,358	3,358	-	-	-
Unsecured bankers' acceptances	2007	21,216	21,216	-	-	-
Secured revolving credits	2007	56,000	56,000	-	-	-
Unsecured revolving credits	2007	12,500	12,500	-	-	-
Hire purchase liabilities	2009	49	19	19	11	-
		208,462	129,077	21,315	56,533	1,537

Hire purchase liabilities

Hire purchase liabilities are repayable as follows:-

Group	Hire purchase liabilities payments			Hire purchase liabilities payments		
	2007 RM'000	Interest 2007 RM'000	Principal 2007 RM'000	2006 RM'000	Interest 2006 RM'000	Principal 2006 RM'000
Less than one year	21	2	19	21	2	19
Between one to five years	11	1	10	32	2	30
	32	3	29	53	4	49

17. LOANS AND BORROWINGS (CONTINUED)

Company	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
2007					
Secured term loans	2013	36,875	11,563	9,163	16,149
Secured revolving credits	2008	65,000	65,000	-	-
		101,875	76,563	9,163	16,149

Company	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
2006						
Secured term loans	2013	43,125	11,250	11,250	19,947	678
Secured revolving credits	2007	51,000	51,000	-	-	-
Secured bank overdrafts	2007	320	320	-	-	-
		94,445	62,570	11,250	19,947	678

18. DEFERRED INCOME

	Note	Group	
		2007 RM'000	2006 RM'000
Non-current			
Membership fees	a	30,200	24,867
Current			
Customer advances for construction work-in-progress	12	52,261	41,211
Membership fees	a	1,462	228
		53,723	41,439

Note a

Deferred membership fees represent membership fees received and receivable from members which are recognised based on the benefit to be enjoyed over the membership period.

notes to the financial statements

19. PAYABLES AND ACCRUALS

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Non-current					
Amounts due to subsidiaries	a	-	-	31,223	44,431
Other payables	b	12,154	-	-	-
		12,154	-	31,223	44,431
Current					
Trade					
Trade payables	c	75,952	88,733	-	-
Progress billings		4,268	2,096	-	-
		80,220	90,829	-	-
Non-trade					
Other payables	d	17,334	15,193	1,474	234
Accrued expenses		15,705	13,735	789	651
		33,039	28,928	2,263	885
		113,259	119,757	2,263	885

Note a

Amount due to subsidiaries is in respect of advances, which are unsecured and interest free, except for RM13,766,000 (2006 – RM12,175,000), which is subject to interest rate ranging from 5.00% to 7.50% (2006 – 5.00% to 6.75%) per annum.

The amount due is not payable within 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.

Note b

Non-current other payables represent balances of amount payable for the acquisition of land.

Note c

All trade payables are denominated in the functional currency, which is in Ringgit Malaysia ("RM") except for an equivalent amount of RM5,649,000 (2006 – Nil) denominated in Thai Baht.

Trade payables of the Group include retention sums payable of RM17,700,000 (2006 – RM15,523,000).

Retentions are unsecured, interest-free and are expected to be paid as follows:

	2007 RM'000	2006 RM'000
Within 1 year	16,003	12,931
1 – 2 years	1,186	2,592
2 – 3 years	511	-
	17,700	15,523



19. PAYABLES AND ACCRUALS (CONTINUED)

Note d

Other payables include enrollment fees payable to Resort Condominiums International LCC ("RCI") of RM3,799,000 (2006 – RM3,185,000) to activate the exchange facility granted to timeshare members which allows them to exchange their holiday accommodation through the RCI Exchange System.

20. OPERATING PROFIT

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue - contract revenue	138,050	136,463	-	-
- sale of goods	200,029	154,583	-	-
- sale of properties	124,017	124,964	-	-
- services	83,347	69,290	3,417	2,773
- dividends	3,915	2,520	30,025	28,300
	549,358	487,820	33,442	31,073
Contract costs recognised as an expense	(123,394)	(121,592)	-	-
Cost of sales	(158,752)	(129,291)	-	-
Cost of properties sold	(89,064)	(93,483)	-	-
Cost of services	(34,778)	(31,059)	(6,401)	(5,668)
	(405,988)	(375,425)	(6,401)	(5,668)
Gross profit	143,370	112,395	27,041	25,405
Other income	6,479	3,801	1,094	688
Administrative expenses	(20,639)	(17,399)	(695)	(664)
Other expenses	(66,956)	(54,457)	(556)	(334)
Results from operating activities	62,254	44,340	26,884	25,095

The revenue recognised from contracts and sale of properties are estimated by management by applying the stage of completion measured by reference to the proportion of costs incurred for work performed to date bear to the estimate total cost based on project budgets approved by the Directors for each of the projects. The budgeted profits as included in the project budget are derived by deducting the actual costs incurred plus estimation by management of further costs to be incurred against the anticipated revenue. Anticipated revenue is estimated by management based on actual transacted prices of properties. The project budgets are reviewed annually and revenues for the current year are computed based on the updated budgets approved by the Directors.

notes to the financial statements

20. OPERATING PROFIT (CONTINUED)

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Operating profit is arrived at after charging:					
Allowance for doubtful debts		2,532	648	-	-
Allowance for diminution in value of investments		870	-	-	-
Amortisation of goodwill on consolidation	4	-	647	-	-
Amortisation of prepaid lease payment	5	80	75	-	-
Auditors' remuneration					
- Statutory audit					
KPMG					
- current year		271	258	34	34
- under provision in prior years		19	16	-	2
Other auditors					
- current year		28	24	-	-
- under provision in prior years		15	-	-	-
- Other services					
KPMG		57	-	49	-
Bad debts written off		186	196	-	-
Depreciation on investment properties	6	121	76	21	26
Depreciation on property, plant and equipment	3	18,493	14,062	112	109
Direct operating expenses of investment property:					
- Did not generate rental income		23	24	-	-
- Generated rental income		121	79	69	34
Impairment loss of property, plant and equipment	3	2,700	-	-	-
Interest expense on:					
- Bank overdrafts		1,636	1,250	604	626
- Bankers' acceptances		1,145	758	-	-
- Revolving credits		4,255	2,669	3,549	2,028
- Subsidiaries		-	-	862	645
- Term loans		3,409	4,369	2,693	3,093
- Other finance charges		943	1,109	175	352
Land held for property development written off	10	15	-	-	-
Liquidated and ascertained damages		2	2,180	-	-
Loss on disposal of property, plant and equipment	3	20	14	-	-
Property, plant and equipment written off	3	611	239	10	1
Rental expense on land and buildings		1,593	1,282	19	19
Rental of equipment		424	105	3	-
Replacement cost for operating equipment		349	444	-	-
Research and development expensed as incurred		4,413	557	-	-
Personnel expenses:					
- Contributions to Employees' Provident Fund		4,485	3,837	260	242
- Wages, salaries and others		41,373	36,157	2,517	2,501
- Directors' remuneration					
- fees		100	81	100	81
- emoluments		4,621	3,491	3,235	2,584
Realised loss on foreign exchange		118	156	-	-
Unrealised loss on foreign exchange		1	-	-	-

20. OPERATING PROFIT (CONTINUED)

The estimated monetary value of Directors' benefits-in-kind of the Group and the Company is RM61,000 (2006 - RM60,000) and RM21,000 (2006 - RM18,000) respectively.

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
and after crediting:					
Allowance for doubtful debts written back		224	682	-	-
Dividend income from:					
- shares quoted in Malaysia		3,826	2,436	-	-
- subsidiaries (unquoted)		-	-	30,025	28,300
- unquoted shares		89	83	-	-
Gain on disposal of other investments	9	871	-	-	-
Gain on disposal of investment properties		1,033	-	1,033	-
Gain on disposal of prepaid lease payments		-	42	-	-
Gain on disposal of property, plant and equipment		983	150	8	-
Interest income					
- Fixed deposits		1,097	45	-	-
- Housing development account		188	397	-	-
- Subsidiaries		-	-	3,086	2,404
- Others		301	331	-	-
Rental income on land and buildings		3,480	2,393	117	133
Realised gain on foreign exchange		117	81	-	-

21. TAX EXPENSE

Recognised in the income statement

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Tax expense		10,525	6,294	5,542	5,326
Share of tax of equity accounted associates		87	420	-	-
Total tax expense		10,612	6,714	5,542	5,326
Major components of tax expense include:					
Current tax expense					
Malaysian - current year		11,018	7,057	5,501	6,059
- prior year		301	(971)	41	(733)
Overseas - current year		353	233	-	-
Total current tax		11,672	6,319	5,542	5,326
Deferred tax expense					
Origination and reversal of temporary differences		(1,223)	(217)	-	-
Under provision in prior year		76	192	-	-
Total deferred tax recognised in income statement	11	(1,147)	(25)	-	-
Share of tax of equity accounted associates		87	420	-	-
Total tax expense		10,612	6,714	5,542	5,326

notes to the financial statements

21. TAX EXPENSE (CONTINUED)

Reconciliation of effective tax expense

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Profit for the year	42,474	28,399	16,545	15,429
Total tax expense	10,612	6,714	5,542	5,326
Profit excluding tax	53,086	35,113	22,087	20,755
Tax at Malaysian tax rate of 27% (2006 - 28%)	14,333	9,832	5,963	5,811
Effect of tax rate in foreign jurisdictions **	(77)	-	-	-
Effect of change in tax rate***	876	-	1	-
Non-deductible expenses	3,593	2,139	191	230
Non-taxable income	(1,005)	(661)	-	-
Tax exempt income	(675)	-	(675)	-
Deferred tax assets not recognised during the year	273	1,531	-	18
Utilisation of previously unrecognised deferred tax assets	(3,002)	(3,446)	(172)	-
Effect of lower tax rate for certain subsidiaries *	(230)	(223)	-	-
Tax incentives	(3,867)	(1,679)	-	-
Others	16	-	193	-
	10,235	7,493	5,501	6,059
Under/ (Over) provision in prior years				
- Tax expense	301	(971)	41	(733)
- Deferred tax expense	76	192	-	-
Tax expense	10,612	6,714	5,542	5,326

* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000.

** Subsidiary incorporated in 2006 (see Note 30) operates in a tax jurisdiction with a lower tax rate.

*** With effect from year of assessment 2007, corporate tax rate is at 27%. The Malaysian Budget 2007 also announced the reduction of corporate tax rate of 26% in 2008. Consequently, deferred tax assets and liabilities are measured using these tax rates.

22. EARNINGS PER ORDINARY SHARE

Basic earning per ordinary share

The calculation of basic earning per ordinary share at 30 June 2007 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2007 RM'000	2006 RM'000
Profit for the year attributable to shareholders	42,377	28,539
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	456,132	456,132
Effect of treasury shares held	(87)	-
Weighted average number of ordinary shares at 30 June	456,045	456,132

	Group	
	2007 Sen	2006 Sen
Basic earnings per share (in sen)	9.29	6.26

Diluted earning per ordinary share

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.

23. DIVIDENDS

Dividends recognised in the current year by the Company are:

	Sen per share (net per tax)	Total amount RM'000	Date of payment
2007			
First and final 2006 ordinary	2.92	13,316	18 January 2007
2006			
Final 2005 ordinary	1.44	6,568	11 January 2006

notes to the financial statements

23. DIVIDENDS (CONTINUED)

After the balance sheet date, the following dividends were proposed by the Directors. These dividends will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share	Total amount RM'000
First and final ordinary	3.70	16,873

24. SEGMENTAL REPORTING

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

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 finance costs, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

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

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.
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.

24. SEGMENTAL REPORTING (CONTINUED)

Geographical segments

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

	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
2007								
<i>Business Segments</i>								
Total external revenue	138,050	125,583	200,027	81,579	4,033	86	-	549,358
Inter-segment revenue	76,590	5,562	33,211	-	3,300	244	(118,907)	-
Total segment revenue	214,640	131,145	233,238	81,579	7,333	330	(118,907)	549,358
Segment result	7,514	21,170	21,353	12,236	431	741	(1,191)	62,254
Finance costs								(11,388)
Interest income								1,586
Share of profit of associates								547
Profit before taxation								52,999
Tax expense								(10,525)
Profit for the year								42,474

	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								
<i>Business Segments</i>								
Total external revenue	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 segment 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
Finance costs								(10,155)
Interest income								773
Share of profit of associates								(265)
Profit before taxation								34,693
Tax expense								(6,294)
Profit for the year								28,399

notes to the financial statements

24. SEGMENTAL REPORTING (CONTINUED)

	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
2007							
Segment assets	124,886	436,694	120,580	373,298	97,916	7,790	1,161,164
Unallocated assets							25,945
Total assets							<u>1,187,109</u>
Segment liabilities	97,990	31,246	23,396	23,846	2,352	306	179,136
Unallocated liabilities							305,888
Total liabilities							<u>485,024</u>
Capital expenditure	847	2,921	3,629	17,270	12	1	24,680
Depreciation and amortisation of property, plant and equipment, investment property and prepaid lease payments	1,176	1,495	5,351	10,535	129	8	18,694
Non-cash expenses other than depreciation and amortisation	2	2,702	3	594	10	-	3,311

	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	352,483	81,130	11,031	1,048,807
Unallocated assets							17,621
Total assets							<u>1,066,428</u>
Segment liabilities	86,541	27,354	22,696	44,694	1,143	308	182,736
Unallocated liabilities							221,897
Total liabilities							<u>404,633</u>
Capital expenditure	1,782	1,127	330	10,140	30	-	13,409
Depreciation and amortisation of property, plant and equipment, investment property and prepaid lease payments	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

25. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

Exposure to credit, interest rate, currency and liquidity risks arise in the normal course of the Group and Company's business.

25. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

The Group and the Company's primary exposure to credit risk arise through trade and other receivables. The 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's investment in fixed-rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and Company's investments in variable-rate borrowing and amount due from subsidiaries are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not exposed to 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.

Effective interest rates and repricing analysis

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

Group	Note	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000
2007									
Fixed rate instruments									
Deposits	15	3.85	17,204	17,204	-	-	-	-	-
Hire purchase liabilities	17	2.70	(29)	(19)	(10)	-	-	-	-
			17,175	17,185	(10)	-	-	-	-
Floating rate instruments									
Secured term loans	17	7.08	(107,620)	(107,620)	-	-	-	-	-
Secured bank overdrafts	17	7.75	(2,971)	(2,971)	-	-	-	-	-
Unsecured bank overdrafts	17	8.41	(2,327)	(2,327)	-	-	-	-	-
Secured bankers' acceptances	17	3.68	(4,026)	(4,026)	-	-	-	-	-
Unsecured bankers' acceptances	17	4.08	(26,398)	(26,398)	-	-	-	-	-
Secured revolving credits	17	5.59	(107,000)	(107,000)	-	-	-	-	-
Unsecured revolving credits	17	5.62	(12,500)	(12,500)	-	-	-	-	-
Unsecured promissory notes	17	4.28	(1,531)	(1,531)	-	-	-	-	-
			(264,373)	(264,373)	-	-	-	-	-

notes to the financial statements

25. FINANCIAL INSTRUMENTS (CONTINUED)

Effective interest rates and repricing analysis (continued)

Group	Note	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000
2006									
Fixed rate instruments									
Deposits	15	3.10	7,938	7,938	-	-	-	-	-
Hire purchase liabilities	17	2.70	(49)	(19)	(19)	(11)	-	-	-
			<u>7,889</u>	<u>7,919</u>	<u>(19)</u>	<u>(11)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Floating rate instruments									
Secured term loans	17	6.92	(97,765)	(97,765)	-	-	-	-	-
Secured bank overdrafts	17	7.97	(12,857)	(12,857)	-	-	-	-	-
Unsecured bank overdrafts	17	8.49	(4,717)	(4,717)	-	-	-	-	-
Secured bankers' acceptances	17	3.86	(3,358)	(3,358)	-	-	-	-	-
Unsecured bankers' acceptances	17	4.08	(21,216)	(21,216)	-	-	-	-	-
Secured revolving credits	17	6.00	(56,000)	(56,000)	-	-	-	-	-
Unsecured revolving credits	17	5.50	(12,500)	(12,500)	-	-	-	-	-
			<u>(208,413)</u>	<u>(208,413)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Company	Note	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000
2007									
Floating rate instruments									
Secured term loans	17	6.98	(36,875)	(36,875)	-	-	-	-	-
Secured revolving credits	17	5.98	(65,000)	(65,000)	-	-	-	-	-
			<u>(101,875)</u>	<u>(101,875)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2006									
Floating rate instruments									
Secured term loans	17	6.65	(43,125)	(43,125)	-	-	-	-	-
Secured bank overdrafts	17	8.05	(320)	(320)	-	-	-	-	-
Secured revolving credits	17	6.08	(51,000)	(51,000)	-	-	-	-	-
			<u>(94,445)</u>	<u>(94,445)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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.



25. FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency risk (continued)

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.

Fair values

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, other payables and accruals, and short term borrowings, approximate fair values due to the relatively short term nature of these financial instruments.

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

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 was not practicable to estimate the fair value of the Company's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs. Unquoted investments in Malaysia are carried at historical cost less allowance for diminution in value of RM34,000 (2006 – RM34,000) in the balance sheet. The Group's share of net tangible assets reported by the unquoted company in Malaysia at 31 December 2006 was RM605,000 (31.12.2005 - RM549,000).

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 fair values of other financial assets and liabilities, together with the carrying amounts shown in the balance sheets, are as follows:

Group	Note	2007		2006	
		Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Shares quoted in Malaysia	9	50,003	84,858	50,873	38,810
Warrants quoted in Malaysia	9	482	756	482	257
Other investments quoted in Malaysia	9	-	-	1,310	1,824
Hire purchase liabilities	17	(29)	(30)	(49)	(49)
		50,456	85,584	52,616	40,842

notes to the financial statements

25. FINANCIAL INSTRUMENTS (CONTINUED)

Estimation of fair values

The following summarises the methods used in determining the fair values of financial instruments reflected in the table.

Fair value of quoted shares and warrants are based on the quoted market price of the balance sheet date without any deduction in transaction costs.

The interest rate used to discount estimated cash flows are as follows:

	2007	2006
Hire purchase liabilities	2.63%	2.70%

Financial assets carried in excess of fair value

In the previous year, the quoted shares were carried in excess of their fair value. The quoted investments had not been written down to fair value because the Directors were of the view that the diminution in their value was temporary.

26. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Less than one year	1,721	1,015	22	19
Between one and five years	2,576	253	36	7
	4,297	1,268	58	26

The Group and Company lease 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.

Leases as lessor

The Group and the Company lease out its investment property under operating leases (see Note 6). The future minimum lease payments under non-cancellable leases are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Less than one year	22	82	-	60
Between one and five years	16	65	-	27
	38	147	-	87

27. CAPITAL AND OTHER COMMITMENTS

	Group	
	2007 RM'000	2006 RM'000
Capital expenditure commitments		
Property, plant and equipment		
Contracted but not provided for and payable:		
Within one year	6,967	-
Land held for development		
Contracted but not provided and payable:		
Within one year	4,000	17,021
One year or later and no later than five years	4,000	-
Later than five years	4,500	-
	<u>19,467</u>	<u>17,021</u>

28. CONTINGENCIES

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Company	
	2007 RM'000	2006 RM'000
Guarantees		
Corporate guarantees given to financial institutions relating to borrowings of subsidiaries	421,273	261,273
Corporate guarantees given to third parties relating to credit facilities granted to subsidiaries	24,040	15,840
	<u>445,313</u>	<u>277,113</u>

Contingent liabilities not considered remote

Litigation (unsecured)

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 suffering losses and damages. In this civil suit, the external agent has filed a counter claim against SGIVCB.

The Hearing for Summary Judgement for the counter claim was decided in the favour of SGIVCB but the external agent has lodged an appeal against the decision. During the Hearing for the appeal on 9 March 2007, the said appeal was dismissed with cost by the judge and there was no further appeal made by the defendants.

In respect of the civil suit taken by SGIVCB against the external agent, both parties were directed to file relevant documents and the Case Management was fixed for 2 May 2007. The Case Management that was fixed for 2 May 2007 has been further postponed to 22 October 2007.

notes to the financial statements

29. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has a controlling related party relationship with its subsidiaries (Note 30), associates (Note 8) and Directors.

Significant transactions and balances with related parties are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Transactions with related parties				
Sale of building materials				
- Dindings Construction Sdn. Bhd.	5,080	2,304	-	-
Insurance premium payable				
- DC Services Sdn. Bhd.	1,774	1,821	53	58
- Dindings Risk Management Services Sdn. Bhd.	163	448	10	13
Progress claim payable				
- Willowglen (Malaysia) Sdn. Bhd.	741	242	-	-
Room revenue receivable				
- OSK Holdings Berhad	25	37	-	-
- OSK Investment Bank Berhad (formerly known as OSK Securities Berhad)	261	35	-	-
Rental, Internal audit services & Disposal of properties				
- Willowglen (Malaysia) Sdn. Bhd.	3,024	-	3,024	-
Construction cost billed				
- OSK Properties Sdn. Bhd.	6,388	17,096	-	-
Project management fees billed				
- OSK Properties (Seremban) Sdn. Bhd.	-	16	-	-
Rental of premises payable				
- Ke-Zan Holdings Berhad	1,144	1,111	10	10
Rental receivable				
- OSK Investment Bank Berhad (formerly known as OSK Securities Berhad)	25	25	-	-
Hotel management fees billed				
- Epic Hotels Pty. Ltd.	1,628	1,254	-	-
Hotel room charges payable				
- Epic Hotels Pty. Ltd.	122	82	-	-
Purchase of property, plant and equipment				
- Cyanix Corporation Sdn. Bhd.	-	15	-	-
Commission payable				
- OSK Investment Bank Berhad (formerly known as OSK Securities Berhad)	11	-	-	-

29. RELATED PARTIES (CONTINUED)

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.

Other than those disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiaries are as follows:

Name of related parties	Relationship
Dindings Construction Sdn. Bhd.; DC Services Sdn. Bhd.; Dindings Risk Management Services Sdn. Bhd.; and Willowglen (Malaysia) Sdn. Bhd.;	Companies in which certain Directors of the Company have substantial financial interest
OSK Holdings Berhad; OSK Investment Bank Berhad (formerly known as OSK Securities Berhad); OSK Properties Sdn. Bhd.; OSK Properties (Seremban) Sdn. Bhd.; Ke-Zan Holdings Berhad; and Epic Hotels Pty. Ltd.	Companies in which the brothers of Wong Ah Chiew and Wong Chong Shee and the spouse of Khor Chai Moi, the Directors of the Company, have substantial financial interests
Cyanix Corporation Sdn. Bhd.	A company in which the son of Wong Ah Chiew, the Director of the Company, has substantial financial interest

Other related party transactions

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

	Company	
	2007 RM'000	2006 RM'000
Facilities charges payable	8	24
Introductory fees receivable	-	644
Management fees receivable	3,300	2,640
Rental receivable	-	9
Rental payable	9	9
Service charge for rental receivable	-	6

Material balances with related parties at balance sheet date are disclosed in Note 12 and Note 19 to the financial statements.

These transactions have been entered into the normal course of business and have been established under negotiated commercial terms.

notes to the financial statements

30. 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	
			2007 %	2006 %
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 subsidiaries	Manufacturing and sales of cables and wires	Malaysia	100	100
Olympic Cable (Singapore) Pte. Ltd.*	Trading of cable products	Singapore	100	100
OVI Cables (Vietnam) Co., Ltd. ***	Manufacturing and sales of cables and wires	Vietnam	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
PJD CI Co., Ltd.**	Investment holding	Thailand	78.5	78.5
PJDC Co., Ltd.**	Construction	Thailand	88.5	88.5
PJD Land Sdn. Bhd.	Property development	Malaysia	100	100



30. SUBSIDIARIES (CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Effective Ownership Interest	
			2007 %	2006 %
PJD Management Services Sdn. Bhd.	Provision of property management and facilities services	Malaysia	100	100
PJD Malta Sdn. Bhd. (formerly known as 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 holding and property development	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
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

notes to the financial statements

30. SUBSIDIARIES (CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Effective Ownership Interest	
			2007 %	2006 %
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-MM2H Sdn. Bhd.	Licensed agent to handle applications for Malaysia My Second Home	Malaysia	100	-
PJD Eastern Land Sdn. Bhd.	Property development and investment	Malaysia	100	100
PJD Paragon Development Sdn. Bhd.	Property development	Malaysia	100	100
PJD Properties Management Sdn. Bhd.	Provision of project management services	Malaysia	100	100
PJD Regency Sdn. Bhd.	Property development	Malaysia	100	100
PTC Management Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100
Putri Kulai Recreational Club Berhad	Management and operation of recreational club	Malaysia	100	100
Rose Villa Management Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100
Sanubari Sejahtera Sdn. Bhd.	Property development	Malaysia	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.	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.



31. ACQUISITION OF A SUBSIDIARY

- (a) On 22 November 2006, the Group through PJD Realty Sdn. Bhd. acquired two (2) ordinary shares of RM1 each in Sanubari Sejahtera Sdn. Bhd. ("SSSB"), representing 100% equity interest in SSSB for a cash consideration of RM2 to undertake the property development business.

The acquisitions had the following effect on the Group's assets and liabilities on acquisition dates:

	Pre-acquisition carrying amounts RM	Fair value adjustments RM	Recognised values on acquisition RM
Cash and cash equivalents	2	-	2
Net identifiable assets and liabilities	2	-	2
Goodwill on acquisition			-
Consideration paid, satisfied in cash			2
Cash acquired			(2)
Net cash outflow			2

32. SIGNIFICANT EVENTS DURING THE YEAR

- (a) On 3 July 2006, PJD-MM2H Sdn. Bhd. became a wholly-owned subsidiary of PJD Realty Sdn. Bhd. ("PJDR"), a wholly-owned subsidiary of the Company, with the authorised and paid-up capital of RM100,000 and RM2 respectively.
- (b) The Company has entered into Sale and Purchase Agreements with Willowglen (Malaysia) Sdn. Bhd., a related party, for the disposal of four (4) pieces of land together with 4 units three storey shop offices for a sale consideration of RM2,990,000. The transaction was completed on 30 April 2007.
- (c) On 22 November 2006, PJDR acquired two (2) ordinary shares of RM1 each in Sanubari Sejahtera Sdn. Bhd. ("SSSB"), representing 100% equity interest in SSSB for a cash consideration of RM2.
- (d) Olympic Cable (Singapore) Pte. Ltd. has been granted an Investment License to establish a 100% foreign-owned company known as OVI Cables (Vietnam) Co., Ltd. in the Socialist Republic of Vietnam with a legal capital of USD828,000.
- (e) In May 2007, a subsidiary company of Equity & Property Investment Corporation Limited, an associate of the Company in which the Company holds 27.4% interest, has entered into an option agreement for the disposal of its hotel properties and business for a consideration of AUD135,000,000.

33. SUBSEQUENT EVENT

On 2 November 2006, the Company, had announced to acquire 100% equity interest in Pravest Sdn. Bhd. ("PSB") through PJDR, for a consideration of RM17,400,000. The authorised share capital of PSB is RM100,000 comprising 100,000 ordinary shares of RM1 each, of which 100,000 ordinary shares of RM1 each have been issued and fully paid-up. PSB has a joint venture agreement with Perbadanan Setiausaha Kerajaan Pahang for the development of 1,000 acres of land in Penor, Kuantan. The purchase of PSB was completed on 20 July 2007.

notes to the financial statements

34. CHANGES IN ACCOUNTING POLICIES

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 30 June 2007.

The changes in accounting policies arising from the adoption of *FRS 3, Business Combinations, FRS 136, Impairment of Assets, FRS 138, Intangible Asset and FRS 116 Property, Plant and Equipment* are summarised below:

FRS 3, Business Combinations, FRS 136, Impairment of Assets and FRS 138, Intangible Assets

The adoption of FRS 3, FRS 136 and FRS 138 have resulted in a change in the accounting policy for goodwill. The change in accounting policies is made in accordance with their transitional provisions.

Goodwill is stated at cost less accumulated impairment losses and is no longer amortised. Instead, goodwill impairment is tested annually, or when circumstances change, indicating that goodwill might be impaired.

Had there not been a change in accounting policy, the net profit attributable to shareholders for the financial year ended 30 June 2007 would decrease by RM647,000 as follows:

	Group 2007 RM'000
Income statement for the year ended 30 June	
Goodwill amortisation which would be charged to the income statement	647

This change in accounting policy has no material impact on earnings per share.

FRS 116, Property, Plant and Equipment

Pursuant to the adoption of FRS 116, the Company changed its accounting policy for the freehold hotel properties. With the change, the underlying buildings and integral plant and machinery of hotel properties are now stated at cost less accumulated depreciation and impairment losses. The underlying freehold land on which hotel properties are situated are stated at cost less impairment losses.

Prior to 1 July 2006, the underlying buildings and integral plant and machinery of hotel properties and freehold lands were stated at valuation less accumulated depreciation.

The change in policy has resulted in a decrease in the Company's total equity attributable to shareholders of the Company at 1 July 2005 by RM62,848,000.

	2007 RM	2006 RM
Balance sheet at 1 July		
Decrease in property, plant and equipment/total asset	(66,525,000)	(66,525,000)
Decrease in asset revaluation reserve	(62,848,000)	(62,848,000)
Decrease in retained earnings	(350,000)	(350,000)
Decrease in deferred tax liabilities	(3,327,000)	(3,327,000)
Decrease in total equity and liabilities	(66,525,000)	(66,525,000)

35. COMPARATIVE FIGURES

Certain comparative figures have been reclassified as a result of changes in accounting policies as stated in Note 34 and to conform with the presentation requirements of FRS 101.

	As restated RM'000	As previously stated RM'000
Group		
Balance sheet		
Non-current assets		
Property, plant and equipment	382,317	457,455
Investment property	7,060	-
Prepaid lease payments	5,989	-
	<hr/>	<hr/>
Current assets		
Inventories	26,284	30,720
	<hr/>	<hr/>
Non-current liabilities		
Deferred income	24,867	-
Trade and other payables	-	24,867
Deferred tax liabilities	7,254	10,581
	<hr/>	<hr/>
Current liabilities		
Trade and other payables	-	161,196
Deferred income	41,439	-
Payables and accruals	119,757	-
	<hr/>	<hr/>
Statements of changes in equity		
Retained earnings at 1 July 2005	142,013	142,363
Retained earnings at 30 June 2006	163,984	164,334
Revaluation reserve at 1 July 2005	-	62,848
Revaluation reserve at 30 June 2006	-	62,848
	<hr/>	<hr/>
Company		
Balance sheet		
Non-current assets		
Property, plant and equipment	361	2,339
Investment property	1,978	-
Receivables, deposits and prepayments	250,504	-
Amount due from subsidiaries	-	250,504
	<hr/>	<hr/>
Non-current liabilities		
Payables and accruals	44,431	-
Amount due to subsidiaries	-	44,431
	<hr/>	<hr/>

Leasehold land of the Group amounted to RM5,989,000 in 2006 was reclassified from property, plant and equipment to prepaid lease payments to comply with the requirements of FRS 117, Leases.

Properties of the Group and of the Company amounted to RM1,978,000 in 2006 that were owned or held under a leasehold interest to earn rental income or for capital appreciation or for both were reclassified from property, plant and equipment to investment properties.

list of group's top ten properties

as at 30 June 2007

Location	Area (sq ft)	Tenure	Description/ Existing Use	Age of Building	Date of Aquisition	Net Book Value (RM'000)
Damai Laut Country Resort Mukim of Lumut District of Dindings Perak Darul Ridzuan	15,044,751	Freehold and leasehold (99 years expiring on 08.06.2094)	Resort & property development	N/A	1990	126,762
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	84,687
Swiss-Garden Resort & Spa Kuantan Lot PT 7566 Mukim Sungai Karang 26100 Berserah Daerah Kuantan Pahang Darul Makmur	250,512 (built-up)	Freehold	Hotel	9years 3 months	-	59,610
Swiss-Garden Hotel Kuala Lumpur 117 Jalan Pudu 55100 Kuala Lumpur Wilayah Persekutuan	268,150 (built-up)	Freehold	Hotel	13 years 11 months	-	59,525
Lot 55344 Mukim Batu, Kuala Lumpur Wilayah Persekutuan	442,956	Freehold	Land for residential development	N/A	28.11.2001	42,702
Mukim of Senai, Kulai District of Johor Bahru Johor Darul Takzim	2,625,924	Freehold	Land for residential, commercial & industrial development	N/A	1991	42,598



Location	Area (sq ft)	Tenure	Description/ Existing Use	Age of Building	Date of Aquisition	Net Book Value (RM'000)
Mukim of Kuala Kuantan Pahang Darul Makmur	1,268,295	Leasehold (99 years expiring on 23.04.2095)	Land for residential & commercial development	N/A	11.09.1996	36,157
Lot 55343 Mukim Batu, Kuala Lumpur Wilayah Persekutuan	64,710	Freehold	Land for residential, condominium development	N/A	20.09.2001	31,771
Geran 50398, Lot 16, Seksyen 47, Kuala Lumpur, Wilayah Persekutuan	65,556	Freehold	Land for commercial development	-	15.11.2006	29,329
Lot PT 2117 - 2131 Jalan PK 1 Taman Perindustrian Krubong 75250 Melaka	1,271,380	Freehold	Industrial premises	9 years 6 months	16.12.1996	25,183

analysis of shareholdings

as at 1 october 2007

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	503	3.02	9,404	0.00
100 – 1,000	3,984	23.92	3,297,912	0.72
1,001 – 10,000	9,575	57.49	42,277,029	9.27
10,001 – 100,000	2,333	14.01	68,136,650	14.94
100,001 – 22,806,616	258	1.55	232,901,117	51.06
22,806,617 and above	2	0.01	109,510,247	24.01
Total	16,655	100.00	456,132,359	100.00

THIRTY LARGEST REGISTERED HOLDERS

Name	Shareholdings	Percentage
1. CIMB Group 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. Ladang Setia Sdn Bhd	8,391,360	1.84
5. Citigroup Nominees (Asing) Sdn Bhd <i>UBS AG for Swordfish Holdings Ltd</i>	8,250,000	1.81
6. OSK Nominees (Tempatan) Sdn Berhad <i>Wong Chong Ngin</i>	7,086,400	1.55
7. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Soon Tiek Development Sdn Bhd</i>	7,000,000	1.53
8. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Soon Tiek Development Sdn Bhd (KLC)</i>	6,620,327	1.45
9. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for YC Ltd</i>	6,300,000	1.38
10. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for JX Ltd</i>	6,080,000	1.33
11. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for YM Ltd</i>	6,008,800	1.32



Name	Shareholdings	Percentage
12. Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Public Far-East Property & Resorts Fund</i>	5,511,900	1.21
13. AMWB Nominees (Tempatan) Sdn Bhd <i>AmTrustee Berhad for Pacific Pearl Fund (5/1-9)</i>	5,190,000	1.14
14. Khor Chei Yong	4,439,200	0.97
15. Land Management Sdn Bhd	4,400,000	0.96
16. Citigroup Nominees (Asing) Sdn Bhd <i>Bear Stearns Securities Corp for Longview Investment Associates LLC</i>	4,200,000	0.92
17. ABB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dindings Consolidated Sdn Bhd (11200518380)</i>	4,148,000	0.91
18. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for JY Ltd</i>	3,609,200	0.79
19. Dindings Consolidated Sdn Bhd	3,567,400	0.78
20. Citigroup Nominees (Asing) Sdn Bhd <i>Citigroup GM Inc for SC Fundamental Value Fund LP</i>	3,470,027	0.76
21. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities for Wong Ah Chiew</i>	3,462,200	0.76
22. OSK Nominees (Asing) Sdn Berhad <i>Pledged Securities Account for Lee Sui Hee</i>	3,353,200	0.74
23. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for Credit Suisse (SG BR-TSTAsing)</i>	3,215,000	0.70
24. Lembaga Tabung Angkatan Tentera	3,190,000	0.70
25. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for YS Ltd</i>	3,100,000	0.68
26. Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Public Smallcap Fund</i>	3,000,000	0.66
27. Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Khor Chai Moi (472724)</i>	3,000,000	0.66
28. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad for PB Asean Dividend Fund (270334)</i>	3,000,000	0.66
29. Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Chong Shee (470539)</i>	2,800,000	0.61
30. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY for DFA Emerging Markets Fund</i>	2,768,800	0.61

analysis of shareholdings

as at 1 october 2007

SUBSTANTIAL SHAREHOLDERS

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

Name	No. of shares held			
	Direct Interest	%	Indirect/Deemed Interest	%
Dindings Consolidated Sdn Bhd	3,567,400	0.78	*86,718,081	19.02
Khor Chai Moi	26,940,166	5.91	**104,124,841	22.83
Wong Ah Chiew	2,376,000	0.52	***94,097,681	20.63

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, Elegant Preference Sdn Bhd, Jian Qi Holdings Sdn Bhd and Nominees.



analysis of warrant holdings

as at 1 october 2007 - warrants B

No. of Warrants Issued : 114,032,898

BREAKDOWN OF WARRANT HOLDINGS

Range of Holdings	No. of Holders	Percentage of Holders	No. of Warrants	Percentage of Issued Warrants
Less than 100	135	7.72	5,772	0.00
100 – 1,000	272	15.56	161,757	0.14
1,001 – 10,000	854	48.86	4,218,624	3.70
10,001 – 100,000	400	22.88	14,276,366	12.52
100,001 – 5,701,643	82	4.69	37,193,060	32.62
5,701,644 and above	5	0.29	58,177,319	51.02
Total	1,748	100.00	114,032,898	100.00

THIRTY LARGEST REGISTERED HOLDERS

Name	Warrant holdings	Percentage
1. CIMB Group Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dindings Consolidated Sdn Bhd (3261 KLZA)</i>	24,913,392	21.85
2. Khor Chai Moi	11,692,829	10.25
3. OSK Investment Bank Berhad <i>IVT(LH)</i>	8,400,000	7.37
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. Kelvin Low Meng Poh	2,000,000	1.75
7. Ladang Setia Sdn Bhd	1,833,840	1.61
8. OSK Nominees (Tempatan) Sdn Berhad <i>Wong Chong Ngin</i>	1,771,600	1.55
9. Land Management Sdn Bhd	1,699,000	1.49
10. Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yap Ching Loon</i>	1,547,600	1.36
11. OSK Nominees (Asing) Sdn Berhad <i>Pledged Securities Account for Lee Sui Hee</i>	1,450,000	1.27
12. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for JY Ltd</i>	1,272,800	1.12
13. Teh Kim Fong	1,241,000	1.09
14. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for JX Ltd</i>	1,220,800	1.07

analysis of warrant holdings

as at 1 october 2007 - warrants B

Name	Warrant holdings	Percentage
15. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for YC Ltd</i>	1,200,000	1.05
16. Mak Ngia Ngia @ Mak Yoke Lum	1,175,400	1.03
17. HSBC Nominees (Asing) Sdn Bhd <i>AAB SG BR for YM Ltd</i>	1,127,200	0.99
18. Mak Ngia Ngia @ Mak Yoke Lum	1,020,600	0.90
19. Sia Kean Teong	1,010,000	0.89
20. Chong Tong Siew	1,000,000	0.88
21. TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Kon Lim</i>	760,000	0.67
22. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yeap Gek @ Yeap Poh Chim (E-KLC)</i>	648,000	0.57
23. RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Chee Seong (CEB)</i>	600,000	0.53
24. Tee Ah Peng	570,000	0.50
25. Mak Pak Lin	519,900	0.46
26. Tey Take	504,400	0.44
27. Chu Chee Choon	453,800	0.40
28. Lau Tein Khang	450,200	0.39
29. Tang Kee Hiong	447,600	0.39
30. Yap Chong Keow	441,500	0.39

other information

1. Directors' Interest As At 1 October 2007

COMPANY

Director	Ordinary Shares Of RM1.00 Each			
	Direct Interest		Indirect/Deemed Interest	
	No.	%	No.	%
Wong Ah Chiew	2,376,000	0.52	94,097,681	20.63
Wong Chong Shee	2,800,000	0.61	-	-
Khor Chai Moi	26,940,166	5.91	104,124,841	22.83
Dato' Dr Haji Dzulkarnain Bin Shafiee	6,000	0.001	-	-

Director	Warrants B			
	Direct Interest		Indirect/Deemed Interest	
	No.	%	No.	%
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
Dato' Dr Haji Dzulkarnain Bin Shafiee	4,000	0.004	-	-

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

Director	Ordinary Shares Of 10.00 Thai Baht Each			
	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

During the financial year ended 30 June 2007, the Company ("PJD") entered into four (4) sets of conditional Sale and Purchase Agreements on 31 October 2006 with Willowglen (Malaysia) Sdn. Bhd. ("WMSB") for the disposal of all those pieces of land held under PN No. 17636 – 17639 Lot No. 35069 – 35072, all in the Mukim of Petaling, District and State of Wilayah Persekutuan, together with four (4) units three (3) storey shop offices erected thereon for a total sale consideration of RM2,990,000.00.

WMSB is a wholly-owned subsidiary company of Willowglen MSC Berhad which in-turn is a 50.77% subsidiary company of New Advent Sdn. Bhd. ("NA"). NA is a wholly-owned subsidiary company of Dindings Consolidated Sdn. Bhd. ("DC"). DC is a major shareholder of PJD. Wong Ah Chiew and Khor Chai Moi are both directors and major shareholders of DC, WMSC and PJD. Wong Chong Shee is a director of PJD and is the brother and brother-in-law of Wong Ah Chiew and Khor Chai Moi respectively.

The disposal was completed on 30 April 2007.

notice of nomination to change auditors



Dindings Consolidated Sdn. Bhd. (8226-P)

17th Floor, Plaza OSK Jalan Ampang, 50450 Kuala Lumpur.
Tel: 03-21617722 (G) Fax: 03-21617782

Our ref: SEC/DC/2007

10th October 2007

The Board of Directors
PJ Development Holdings Berhad
18th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur

Dear Sirs,

RE: NOTICE OF NOMINATION OF AUDITORS

I, being a shareholder of PJ Development Holdings Berhad (“PJDHB”), hereby give notice, pursuant to Section 172(11) of the Companies Act, 1965 of my intention to nominate Messrs BDO Binder for appointment as Auditors of PJDHB in place of the retiring auditors, Messrs KPMG and to propose the following motion as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of PJDHB:-

“THAT Messrs BDO Binder be and are hereby appointed as Auditors of PJDHB in place of the retiring Auditors, Messrs KPMG, and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors.”

Thank you.

For and on behalf of
DINDINGS CONSOLIDATED SDN. BHD.


WONG AH CHIEW
Company Director

Fold this flap for sealing

Stamp

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

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1st fold here



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