

JOHAN HOLDINGS BERHAD
Quarterly Report on Consolidated Results For The Financial Quarter Ended 31 July 2000
(The figures have not been audited)

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.07.2000 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.07.1999 RM'000	CURRENT YEAR TO DATE 31.07.2000 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.07.1999 RM'000
1 (a) Turnover	292,084	330,246	613,041	662,098
(b) Investment income	-	84	-	84
(c) Other income including interest income	1,285	540	1,825	1,258
2 (a) Operating profit/(loss) before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	16,747	9,465	27,807	17,846
(b) Interest on borrowings	(17,098)	(8,450)	(29,676)	(18,147)
(c) Depreciation and amortisation	(4,490)	(3,380)	(8,870)	(6,709)
(d) Exceptional items	2,320	-	3,011	29
(e) Operating profit/(loss) after interest on borrowings, depreciation and amortisation, and exceptional items but before income tax, minority interest and extraordinary items	(2,521)	(2,365)	(7,728)	(6,981)
(f) Share in the results of associated companies	(1,672)	(513)	(1,657)	(2,028)
(g) Profit/(loss) before taxation, minority interests and extraordinary items	(4,193)	(2,878)	(9,385)	(9,009)
(h) Taxation	(1,251)	(3,226)	(2,449)	(5,246)
(i) (i) Profit/(loss) after taxation before deducting minority interest	(5,444)	(6,104)	(11,834)	(14,255)
(ii) Less minority interest	(722)	(975)	(1,323)	(2,008)
(j) Profit/(loss) after taxation attributable to members of the company	(6,166)	(7,079)	(13,157)	(16,263)
(k) (i) Extraordinary items	-	-	-	-
(ii) Less minority interest	-	-	-	-
(iii) Extraordinary items attributable to members of the company	-	-	-	-
(l) Profit/(loss) after taxation and extraordinary items attributable to members of the company	(6,166)	(7,079)	(13,157)	(16,263)
3 (a) Earning/(loss) per share based on 2(j) above after deducting any provision for preference dividends, if any: -				

(i) Basic Loss Per Share (sen)	<u>(1.99)</u>	<u>(2.29)</u>	<u>(4.25)</u>	<u>(5.27)</u>
--------------------------------	---------------	---------------	---------------	---------------

JOHAN HOLDINGS BERHAD
Quarterly Report For The 2nd Financial Quarter Ended 31 July 2000

CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 31.07.2000 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31.01.2000 RM'000
1 Fixed Assets	329,951	338,629
2 Investment in Associated Companies	55,574	57,797
3 Long Term Investments	36,391	36,954
4 Land and Development Expenditure	57,060	57,043
5 Goodwill on Consolidation	73,539	74,266
6 Future Tax Benefits	177	686
7 Current Assets		
Stocks	128,829	160,980
Trade Debtors	382,678	381,401
Other Debtors	32,985	27,372
Cash and Bank Balances	27,566	63,282
	572,058	633,035
8 Current Liabilities		
Short Term Borrowings	266,872	362,304
Trade Creditors	202,939	224,674
Other Creditors	59,118	68,102
Provision for Taxation	8,998	9,217
	537,927	664,297
9 Net Current Assets/(Liabilities)	34,131	(31,262)
	586,823	534,113
10 Shareholders' Funds		
Share Capital	154,686	154,686
Reserves		
Share Premium	72,266	72,266
Capital and Revaluation Reserves	61,812	55,965
Profit and Loss Account	(31,385)	(18,228)
Exchange Reserve	(6,963)	(1,531)
	250,416	263,158
11 Minority Interest	27,143	26,599
12 Long Term Borrowings	308,510	243,628
13 Other Long Term Liabilities	754	728
	586,823	534,113

14 Net tangible assets per share (sen)

57

61

JOHAN HOLDINGS BERHAD

NOTES TO QUARTERLY REPORT – 31 JULY 2000

1. ACCOUNTING POLICIE

The accounts are prepared under the historical cost convention and comply with approved accounting standards issued by the Malaysian Accounting Standards Board, adopting the same accounting policies, method of computations and basis of consolidation as those used since the last financial year.

2. EXCEPTIONAL ITEMS

The exceptional item for the quarter under review represents the gain on sale of property by a subsidiary company in Australia.

3. EXTRAORDINARY ITEMS

There were no extraordinary items for the financial quarter under review.

4. TAXATION

The taxation expense does not contain any adjustment for under-provision in respect of prior year.

Tax charge for the Group is disproportionate to the results of the Group due to losses suffered by certain subsidiary companies, and the non-availability of Group tax relief.

5. PRE-ACQUISITION PROFITS

No pre-acquisition profits were included for the financial period under review.

6. SALE OF INVESTMENT AND PROPERTIES

The Group realized a net gain of approximately RM2.32 million on sale of a property during the quarter under review. There was no sale of investment.

7. PURCHASE / DISPOSAL OF QUOTED SECURITIES

	RM'000
(a) Total sales of quoted securities for the current financial year to date and profit arising thereon are as follows: -	
Total purchases	<u>-</u>
Total disposal	<u>490</u>
Total Profit/(Loss) on Disposal	<u>18</u>
(b) Investment in quoted shares/warrants as at 31 July 2000: -	
At cost	<u>36,391</u>
At book value (net of provision for diminution in value)	<u>36,391</u>
At market value	<u>15,432</u>

8. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the financial period under review.

9. CORPORATE PROPOSALS

On 15 May 2000, the Company announced the following proposals: -

- i) Renounceable rights issue of RM170,154,735 nominal value of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") with coupon rate of 4% per annum together with 113,436,490 free detachable warrants ("Warrants B") on the basis of five hundred and fifty (550) ICULS for every one thousand (1,000) existing ordinary shares of RM0.50 each held based on Johan Holdings Berhad's existing issued and paid-up share capital of 309,372,246 ordinary shares as at 31 March 2000 and two (2) Warrants B for every three (3) proposed ICULS subscribed;
- ii) Proposed issuance of up to 92,073,299 Replacement Warrants to replace 92,073,299 existing warrants of the Company; and
- iii) Proposed establishment of a new Employee Share Option Scheme.

On 12 September 2000, the Company announced the following revised schemes on the Proposed Rights Issues with Warrants and Proposed ICULS to replace the original Proposed ICULS with Warrants: -

- i) Proposed renounceable Rights Issue of up to 267,630,363 new ordinary shares of RM0.50 each at an indicative issue price of RM0.60 per share on the basis of two (2) new ordinary shares for every three (3) existing ordinary shares of RM0.50 each held together with up to 200,722,773 free detachable Warrants (“Warrants B”) on the basis of three (3) Warrants B for every four (4) Rights Shares subscribed;
- ii) Proposed renounceable Rights Issue of up to RM66,907,591 nominal value of Irredeemable Convertible Unsecured Loan Stocks (“ICULS”) with a coupon rate of 5% per annum on the basis of one (1) ICULS for every six (6) ordinary shares of RM0.50 each held;
- iii) Proposed issuance of up to 92,073,299 Replacement Warrants to replace up to 92,073,299 existing Warrants of the Company; and
- iv) Proposed establishment of a new Employee Share Option Scheme.

The proposals are conditional upon the approvals of the Securities Commission, the Kuala Lumpur Stock Exchange and other relevant authorities and the shareholders of the Company at an extraordinary meeting to be convened.

10. SEASONAL OR CYCLICAL FACTORS

Overall, the business operations of the Group are not affected by any seasonal or cyclical factors.

11. ISSUE OF EQUITY SHARES

During the financial period under review, there was no issue of equity shares.

12. GROUP BORROWINGS

	RM'000
Short term borrowings	
Secured	
Bank loans and overdrafts	20,037
Revolving credits	10,262
	30,299
Unsecured	
Bank loans and overdrafts	183,010
Revolving credits	24,234
	207,244
Current portion of term loans	29,329
	<u>266,872</u>

12 GROUP BORROWINGS (Cont'n)

Long term borrowings (term loans)	
Secured	230,420
Unsecured	78,090
	<u>308,510</u>

The bank borrowings denominated in foreign currencies are as follows: -

	\$'000
Denominated in Singapore Dollar	<u>4,982</u>
Denominated in U.S. Dollar	<u>33,032</u>
Denominated in British Sterling Pound	<u>3,364</u>
Denominated in Australia Dollar	<u>329</u>

13. CONTINGENT LIABILITIES

There were no contingent liabilities for the financial period under review.

14. OFF BALANCE SHEET RISK FINANCIAL INSTRUMENTS

The Group does not have any financial instrument with off balance sheet risk as at 27 September 2000.

15. MATERIAL LITIGATIONS

The Group is involved in the following material litigation: -

- i) A subsidiary, Johan Properties Sdn Bhd is claiming against a third party for specific performance of an agreement in relation to a property or, in lieu thereof for damages and the return of the deposit paid of RM1.7 million. The third party has filed a defense and counterclaims for general damages. The trial is fixed for 19 July 2000.
- ii) Lumut Marine Resort Bhd ("LMRB"), a subsidiary of the Company is engaged in a legal dispute with a third party in relation to a proposed management by the third party of certain facilities offered by LMRB. LMRB denied that there was such a contract and further denies the claim for damages. The trial is fixed for 8 January 2001.

16. SEGMENTAL REPORTING

Analysis by Activities	Turnover RM'000	Profit/(Loss) Before Taxation RM'000	Total Assets Employed RM'000
Engineering and building materials	65,547	(10,365)	216,509
General trading	464,909	7,051	230,060
Hospitality	112,373	3,688	436,219
Property	37	(4,094)	88,804
Others	418	(5,665)	79,619
	<u>643,284</u>	<u>(9,385)</u>	<u>1,051,211</u>
Less: Group share of turnover of associated companies	(30,243)	-	-
Goodwill on consolidation	-	-	73,539
	<u>613,041</u>	<u>(9,385)</u>	<u>1,124,750</u>
Analysis by Geographical Region			
Malaysia	77,142	(13,482)	491,595
Europe	446,142	3,235	355,587
Singapore	115,205	4,016	168,876
Hong Kong	148	(4,571)	31,921
Australia	4,647	1,417	3,232
	<u>643,284</u>	<u>(9,385)</u>	<u>1,051,211</u>
Less: Group share of turnover of associated companies	(30,243)	-	-
Goodwill on consolidation	-	-	73,539
	<u>613,041</u>	<u>(9,385)</u>	<u>1,124,750</u>

17. MATERIAL CHANGES IN QUARTERLY RESULTS

There was no material fluctuation in the Group's second quarter results as compared to the preceding quarter except for the sales of a property by a subsidiary company, which registered an exceptional gain of RM2.32 million.

18. REVIEW OF RESULTS

For the quarter under review, the Group achieved an operating profit before interest on borrowings, depreciation and amortization of RM16.747 million, an increase of 51% as compared to RM9.465 million in the preceding year corresponding quarter. Many of our Malaysian operating companies have shown marked improvement in their performance. However, loss before taxation, minority interest and extraordinary items was RM4.193 million as compared to the loss of RM2.878 million in the preceding year corresponding quarter, due principally to a substantial increase in interest on borrowings by RM8.648 million. The attributable loss was RM6.166 million.

The Directors are of the opinion that no item, transaction or event of a material or unusual nature has arisen in the interval between 31 July 2000 and the date at which this report is issued.

19. CURRENT YEAR PROSPECTS

With the continuing improvement in the economies in Malaysia and the countries in which the Group operates, your Directors are confident that the operating results of the Group will continue to improve. Barring unforeseen circumstances, your Directors expect the current year's operating results to improve over that of the last financial year.

20. VARIANCE FROM FORECAST PROFIT AND PROFIT GUARANTEE

Not applicable.

21. DIVIDEND

The Directors do not propose any dividend for the financial period ended 31 July 2000.

BY ORDER OF THE BOARD

Teh Yong Fah
Group Secretary
Petaling Jaya
27 September 2000