

PERDANA INDUSTRI HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No. 91458-D)

(Special Administrators Appointed)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2001
CONSOLIDATED INCOME STATEMENT**

| | (UNAUDITED) INDIVIDUAL PERIOD | | (UNAUDITED) CUMULATIVE QUARTER | |
|---|--|---|--|--|
| | CURRENT YEAR QUARTER 31/12/2001 RM'000 | PRECEDING YEAR CORRES- PONDING QUARTER 31/12/2000 RM'000 | CURRENT YEAR TO DATE 31/12/2001 RM'000 | PRECEDING YEAR CORRES- PONDING PERIOD 31/12/2000 RM'000 |
| 1 (a) Revenue | - | - | - | - |
| (b) Investment income | - | - | - | - |
| (c) Other income | 143 | 145 | 403 | 404 |
| 2 (a) Profit/(loss) before finance cost, depreciation and amortization, exceptional items, income tax, minority interests and extraordinary items | (2,787) | (555) | (2,846) | (1,091) |
| (b) Finance cost | (8,226) | (7,763) | (24,657) | (22,768) |
| (c) Depreciation and amortization | (57) | (71) | (172) | (287) |
| (d) Exceptional items | - | - | - | - |
| (e) Profit/(loss) before income tax, minority interests and extraordinary items | (11,070) | (8,389) | (27,675) | (24,146) |
| (f) Share of profits and losses of associated companies | - | - | - | - |
| (g) Profit/(loss) before income tax, minority interest and extraordinary items, after share of profits and losses of associated companies | (11,070) | (8,389) | (27,675) | (24,146) |
| (h) Taxation | - | - | - | - |
| (i) (i) Profit/(loss) after income tax before deducting minority interests | (11,070) | (8,389) | (27,675) | (24,146) |
| (ii) Minority interests | - | - | - | - |
| (j) Net profit/(loss) attributable to members of the company | (11,070) | (8,389) | (27,675) | (24,146) |
| (k) (i) Extraordinary items | - | - | - | - |
| (ii) Less minority interests | - | - | - | - |
| (iii) Extraordinary items attributable to members of the company | - | - | - | - |
| (l) Profit/(loss) after taxation and extraordinary items attributable to members of the company | <u>(11,070)</u> | <u>(8,389)</u> | <u>(27,675)</u> | <u>(24,146)</u> |
| 3 (a) Earnings/(loss) per share based on 2(j) above after deducting any provision for preference dividend, if any :- | | | | |
| (i) Basic (based on 35,873,133 ordinary shares) (sen) | (30.86) | (23.39) | (77.15) | (67.31) |
| (ii) Fully diluted (based on 35,873,133 ordinary shares) (sen) | - | - | - | - |

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(Special Administrators Appointed)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2001
CONSOLIDATED BALANCE SHEET**

| | (UNAUDITED) AS AT END OF CURRENT QUARTER 31/12/2001 <u>RM'000</u> | (AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/03/2001 <u>RM'000</u> |
|--|--|--|
| 1 Property, plant and equipment | 10,098 | 10,270 |
| 2 Investment in Associated Company | - | - |
| 3 Intangible Assets | - | - |
| 4 Deferred Expenditure | - | - |
| 5 Current Assets | | |
| Stocks | - | - |
| Trade Debtors | - | - |
| Deposits With Licensed Banks | - | 5 |
| Cash and Bank Balances | 10 | 5 |
| Other Debtors | 28,281 | 28,344 |
| | <u>28,291</u> | <u>28,354</u> |
| 6 Current Liabilities | | |
| Short Term Borrowings | 210,098 | 204,940 |
| Trade Creditors | 1,195 | 1,195 |
| Other Creditors | 154,803 | 132,521 |
| Provision for taxation | 7 | 7 |
| Dividend Payable | - | - |
| | <u>366,103</u> | <u>338,663</u> |
| 7 Net Current Liabilities | <u>(337,812)</u> | <u>(310,309)</u> |
| | <u>(327,714)</u> | <u>(300,039)</u> |
| 8 Shareholders' Fund | | |
| Share Capital | 35,873 | 35,873 |
| Reserves | | |
| Capital Reserve | 6,556 | 6,556 |
| Retained Profits | (370,143) | (342,468) |
| | <u>(327,714)</u> | <u>(300,039)</u> |
| 9 Minority Interests | - | - |
| 10 Long Term Borrowings | - | - |
| 11 Deferred Taxation | - | - |
| | <u>(327,714)</u> | <u>(300,039)</u> |
| 12 Net tangible assets per share (RM) | (9.14) | (8.36) |

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NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

The financial statements of the Group are prepared using the same accounting policies, method of computation and basis of consolidation as those used in the preparation of the most recent annual financial statements which comply with applicable approved accounting standards in Malaysia.

2 Exceptional Items

There are no exceptional items for the financial period under review.

3 Extraordinary Items

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

4 Taxation

There were no taxation charges for the financial period under review as the Company and the Group are in tax loss positions.

5 Profit/(Loss) on sale of unquoted investments and/or properties

There were no material disposal of unquoted investments and/or properties for the financial period under review.

6 Quoted Securities

There were no purchase or disposal of Quoted Securities in the financial period under review.

7 Changes in the Composition of the Group

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

8 Status of Corporate Proposals

On 10 September 1999, the Special Administrators announced on behalf of the Company that the Company has entered into a Memorandum of Understanding ("MOU") with (i) the shareholders of Wah Seong Industrial Holdings Sdn Bhd and (ii) Grandval Sdn Bhd to regulate and record the basic understanding of the proposed restructuring of the Company which will be based on a Skeletal Workout Proposal annexed to the MOU.

In furtherance of the proposed restructuring of the Company, on 18 January 2000, Arab-Malaysian Merchant Bank Berhad announced on behalf of the Company that the Company has entered into a conditional transfer of listing status agreement with Wah Seong Corporation Berhad ("WSC"). Under the terms of the conditional agreement, the Company will transfer its listing status to WSC and in return WSC will settle all or part of the outstanding debts of the Company.

On 5 May 2000 and 6 June 2000, the Workout Proposal was respectively approved by the Foreign Investment Committee and Ministry of International Trade and Industry. It was subsequently approved by the Securities Commission on 20 June 2000, 12 September 2000 and 23 November 2000.

On 12 September 2001, the Special Administrators, on behalf of the Company, entered into a supplemental agreement with WSC to revise certain terms of the Transfer of Listing Status Agreement dated 14 January 2000. At this juncture, the said revisions have been approved by the Company's secured creditor on 5 November 2001 and are still pending the relevant approvals/endorsements by the relevant regulatory authorities.

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9 Issue of Equity Shares

There were no changes in the issued share capital of the Company for the financial period under review.

10 Short Term Borrowings

Short term borrowings as at 31 December 2001 were as follows :-

| | RM'000 |
|-----------------------|-----------------------|
| Short Term Borrowings | |
| Unsecured | |
| Bank overdrafts | 51,852 |
| Factoring facility | 824 |
| Trust receipts | 5,573 |
| | <u>58,249</u> |
| Secured | |
| Bank overdrafts | 7,042 |
| Trust receipts | 1,533 |
| Revolving credits | 8,780 |
| Short term loan | 130,837 |
| Term loan | 2,642 |
| Bankers acceptances | 1,015 |
| | <u>151,849</u> |
| Total | <u><u>210,098</u></u> |

None of the above borrowings are denominated in foreign currency.

11 Contingent Liabilities

The contingent liabilities of the Group as at 31 December 2001 were fully provided for in the financial statements for the year ending 31 March 2001.

12 Off Balance Sheet Financial Instruments

The Group does not have any financial instrument with off balance sheet risk as at 28 February 2002, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

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13 Material Litigations

Save as disclosed below, the Group is not engaged in any material litigation either as plaintiff or defendant and the Special Administrators do not have any knowledge of any proceedings pending or threatened against the Group :-

- a) MBf Finance Berhad ("MBf") filed an application for summary judgement against the Company on 23 October 1997. Summary judgement was obtained by MBf on 15 April 1998 for a sum of RM138,263,134.24 as at 30 September 1997 together with interest at 14.3% per annum and additional interest of 1% per annum on the said sum until full settlement. The said sum consists of principal and interest owing to MBf arising from term loan facilities.
- b) Oriental Bank Berhad ("OBB") filed an application for summary judgement against the Company on 12 February 1998 for an amount of RM12,966,289.78 which consists of principal and interest arising from overdraft facilities.
- c) Oriental Bank Berhad ("OBB") filed an application for summary judgement against PIH Building Materials Supplies Sdn Bhd on 12 March 1998 for an amount of RM2,670,809.50 which consists of principal and interests arising from overdraft facilities.
- d) Bank of Commerce (M) Bhd ("BOC") filed an application for summary judgement against PIH Marco Shoe Manufacturing Sdn Bhd on 24 April 1998. Summary judgement was obtained on 27 July 1999 for a sum of RM4,726,691.04 together with interest and cost. The said sum consists of principal and interest arising from overdraft and trust receipts facilities.
- e) Bank Kerjasama Rakyat Malaysia Berhad has served a "Notis Temu Janji untuk mendengar Saman Pemula" unto PIH Trex Sports Sdn Bhd on 19 February 2001. The hearing has been postponed of which the date has yet to be set by the Court.

Pursuant to Section 41(1) of the Pengurusan Danaharta Nasional Berhad Act 1998, a moratorium of 12 months had taken effect from the date of appointment of the Special Administrators, i.e. 28 July 1999. In this respect, the abovementioned legal cases against the Company are kept in abeyance due to the moratorium. The previous extension of moratorium had expired on 28 July 2001 but it has now been extended for a further 12 months until 27 July 2002.

14 Segmental Reporting

Analysis by industries

| | Turnover | Loss before | Total assets |
|---------------------------|-----------------|--------------------|---------------------|
| | RM'000 | taxation | employed |
| | | RM'000 | RM'000 |
| Manufacturing and trading | - | (4,277) | 10,116 |
| Investment holdings | - | (23,398) | 28,273 |
| | - | (27,675) | 38,389 |

15 Material Changes in Quarterly Results

In this current quarter, a provision of approximately RM2.6 million in respect of the statutory creditors' claims (as per the revised and approved Workout Proposal) was made in the financial statements. In line with such provision, the operating loss of the Group had increased. Otherwise, the Group's operating loss was mainly due to the cessation of the manufacturing and trading activities of the subsidiaries, i.e. minimal income derived from rental proceeds which could not absorb the Group expenses, in particular the increasing interest costs on bank borrowings.

16 Review of Group's Performance

The Group continued to suffer losses due to high interest costs on bank borrowings and the cessation of the manufacturing and trading activities.

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17 Material Events

There were no material events subsequent to the end of the period reported on that have not been reflected in the financial statement for the period under review.

18 Seasonal or Cyclical Factors

The operations of the Group were not affected by seasonal or cyclical factors to any material extent.

19 Current Year Prospects

The proposed injections of viable businesses and assets into the Group will be key to its successful restructuring. The new businesses and assets have been chosen for their ability to diversify the Group business, whilst providing long term stable income.

20 Variance of Current Results from Profit Forecast/Shortfall in Profit Guarantee

Not applicable.

21 Dividend

No interim dividend was proposed by the Board of Directors for the financial period under financial review.

22 Special Administrators Acting as Agents of Perdana Industri Holdings Berhad ('PIHB')

As agents to PIHB under Section 32 of the Pengurusan Danaharta Nasional Berhad Act 1998 (the Act), the Special Administrators confirm on behalf of PIHB the information contained herein.

In confirming the information, the Special Administrators have placed reliance on representation made by the management of PIHB under Section 36 of the Act. The Special Administrators have not sought to verify all the statements or information and have not performed an examination in accordance with generally accepted accounting principles. As such, the Special Administrators shall not be liable in the event of any of the information being submitted and / or caused to be submitted that is materially false or misleading or from which there is a material omission which would result in any data, information and / or statement therein misleading.

FOR AND ON BEHALF OF PERDANA INDUSTRI HOLDINGS BERHAD

Lim San Peen
Special Administrator of
Perdana Industri Holdings Berhad
Kuala Lumpur
Date : 28 February 2002