


PLB ENGINEERING BERHAD (418224-X)

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FACSIMILE TRANSMISSION

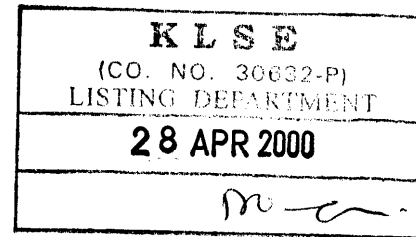
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|---------|------------------------------------|---------|----------------------------|
| To | : Kuala Lumpur .. Stock Exchange | From | : Ms Evelyn Tan |
| Attn | : Mr Liew | Date | : 28 April, 2000 |
| c c | : - | Page(s) | : 8 (Including cover page) |
| Fax No. | : 03-2063670 | Ref. No | : EVE |
| Subject | : 2 nd Quarterly Report | | |

Dear Mr Liew,

Refer to **our teleconversation** this evening and **due** to some problem **occurred in our EDMS system and** as requested transmit herewith the 2nd Quarterly report on consolidated results for the **financial** period ended 29.02.00 for your attention. The original copy will be courier to you in due course.

Please also **be informed that the attach file has been forwarded to your goodself by this evening.** Should you have any clarification on the same, please do not hesitate to contact me at 04-3905737 ext 28 1 or email : evelyn@plbgroup.com.my.

Regards,



If You Do Not Receive The Exact Number Of Pages, Please Contact Us.



Form Version 1.0

Financial Result Announcement

Reference No CU-000428-32862

Submitting Merchant Bank
(if applicable)
Submitting Secretarial firm Name
(if applicable)

* Company name : PLB Engineering Berhad
* Stock name : PLB
* Stock code : 7055
* Contact person : Ms Evelyn Tan Wan Chin
. Designation : Assistant Company Secretary

* Financial Year End : 08/31/2000 16

* Quarter : 1 Qtr 2 Qtr 3 Qtr 4 Qtr Other

Quarterly report on consolidated results for the financial period ended

* 02/29/2000 16,

* The figures have been audited have not been audited .

CONSOLIDATED INCOME STATEMENT

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|--|---|--|--|
| | CURRENT YEAR QUARTER 02/29/2000 <input checked="" type="checkbox"/> 16 (dd/mm/yyyy) RM,000 | PRECEDING YEAR CORRESPONDIN G QUARTER 02/28/99 <input checked="" type="checkbox"/> 16 (dd/mm/yyyy) RM,000 | CURRENT YEAR TO DATE 02/29/2000 <input checked="" type="checkbox"/> 16 (dd/mm/yyyy) RM,000 | PRECEDING YEAR CORRESPONDIN G PERIOD 02/28/99 <input checked="" type="checkbox"/> 16 (dd/mm/yyyy) RM,000 |
| 1 (a) Turnover | 22,122 | | 30,273 | 23,778 |
| (b) Investment income | | | | |
| (c) Other income including Interest Income | 9 | | 67 | 192 |
| 2 (a) Operating profit/(loss) before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items | 6,263 | | 7,987 | 5,590 |
| (b) Less interest on borrowings | 565 | | 1,161 | 1,482 |
| (c) Less depreciation and amortisation | 832 | | 1,611 | 659 |
| (d) Exceptional items | 1,791 | | 1,791 | |

| | | | | | |
|-------|---|---------|--|---------|-------|
| (e) | Operating profit/(loss) after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items | 6,657 | | 7,006 | 3,449 |
| (f) | Share in the results of associated companies | 369 | | 370 | 720 |
| (g) | Profit/(loss) before taxation, minority interests and extraordinary items | 7,025 | | 7,376 | 3,469 |
| (h) | Taxation | (1,966) | | (2,065) | 8 |
| (i) | Profit/(loss) after taxation before deducting minority interests | 5,059 | | 5,311 | 3,477 |
| (ii) | Less minority interests | (368) | | (293) | (61) |
| (j) | Profit/(loss) after taxation attributable to members of the company | 5,445 | | 5,604 | 3,538 |
| (k) | 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 | 5,445 | | 5,604 | 3,538 |
| 3 (a) | Earnings per share based on 2(j) above after deducting any provision for preference dividends, if any : | | | | |
| (i) | Basic (based on ordinary shares - sen) | 13.51 | | 14.00 | 8.85 |
| (ii) | Fully diluted (based on ordinary shares - sen) | 13.35 | | 13.74 | |
| 4 (a) | Dividend per share (sen) | | | | |
| (b) | Dividend Description | | | | |

| | | AS AT END OF CURRENT QUARTER | AS AT PRECEDING FINANCIAL YEAR-END |
|----|------------------------------------|------------------------------|------------------------------------|
| 5) | Net tangible assets per share (RM) | 2.2100 | 2.0700 |
| | | | |

Remark :

Please attach the full **Financial** Result Announcement hero :

Kindly note that only attachment prepared using Microsoft **Word** and Microsoft Excel **atB** to be attached.



QTR2K-2.

QUARTERLY REPORT

Quarterly report on consolidated results for the six months period ended 29/02/00. The figures have not been audited.

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DATE 27-04-00 12:32 PM

CONSOLIDATED INCOME STATEMENT

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|--|
| | CURRENT YEAR QUARTER 29-Feb-00 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 28-Feb-99 RM'000 | CURRENT YEAR TO DATE 29-Feb-00 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 28-Feb-99 RM'000 |
| 1 (a) Turnover | 22,122 | | 30,273 | 23,778 |
| (b) Investment income | - | | | |
| (c) Other income including interest income | 9 | | 67 | 192 |
| 2(a) Operating profit before interest on borrowings, depreciation and amortisation and exceptional items, income tax, minority interests and extraordinary items | 6,263 | | 7,387 | 5,590 |
| (b) Interest on borrowings | (565) | | (1,161) | (1,482) |
| (c) Depreciation and amortisation | (832) | | (1,611) | (659) |
| (d) Exceptional items | 1,791 | - | 1,791 | - |
| (e) Operating profit after interest on borrowings, depreciation and amortisation, exceptional items but before income tax, minority interests and extraordinary items | 6,657 | | 7,006 | 3,449 |
| (f) Share in results of associated companies | 368 | | 370 | 20 |
| (g) Profit before taxation, minority interests and extraordinary items | 7,025 | | 7,376 | 3,469 |
| (h) Taxation | (1,966) | | (2,065) | 8 |
| (i) (i) Profit after taxation before deducting minority interests | 5,059 | | 5,311 | 3,477 |
| (ii) Add : minority interests | 386 | | 293 | 61 |
| (j) Profit after taxation attributable to members of the company | 5,445 | | 5,604 | 3,538 |
| (k) (i) Extraordinary items (ii) Less minority interests (iii) Extraordinary items attributable to members of the company | - | | - | - |
| (l) Profit after taxation and extraordinary items attributable to members of the company | 5,445 | | 5,604 | 3,538 |
| 3(a) Earnings per share based on 2(j) above after deducting any provision for preference dividends, if any :- | | | | |
| (i) Basic (based on 40,026,500 ordinary shares) (sen) | 13.61 | | 14.00 | 8.95 |
| (ii) Fully diluted (based on 40,793,889 ordinary shares) (sen) | 13.35 | | 13.74 | |

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CONSOLIDATED BALANCE SHEET

| | AS AT 29-Feb-00 RM'000 | AS AT 31-Aug-99 RM'000 |
|--|------------------------------|------------------------------|
| 1 Fixed Assets | 25,794 | 3 1,245 |
| 2 Investment in Associated Company | 378 | 178 |
| 3 Investment in Subsidiary Company | 4,500 | 4,500 |
| 4 Future Development Properties | 18,474 | 18,453 |
| 5 Goodwill on Consolidation | 18 | 14 |
| 6 Current Assets | | |
| <i>Contract work-in-progress</i> | 28,650 | 20,611 |
| <i>Stocks</i> | 139 | 157 |
| <i>Trade Debtors</i> | 61,375 | 68,079 |
| <i>Others debtors, deposits & prepayment</i> | 8,274 | 6,425 |
| <i>Amount due from a related company</i> | 4 | 4 |
| <i>Fired deposits with licensed banks</i> | 650 | 993 |
| <i>Cash and bank balances</i> | 649 | 307 |
| | 99,741 | 96,576 |
| 6 Current Liabilities | | |
| <i>Trade creditors</i> | 5,752 | 9,998 |
| <i>Other creditors, accruals and deposits receivable</i> | 6,535 | 6,788 |
| <i>Amount due to directors</i> | 3,148 | 1,317 |
| <i>Amount due to ultimate holding company</i> | 7,323 | 10,431 |
| <i>Bank Borrowings</i> | 24,450 | 26,965 |
| <i>Provision for Taxation</i> | 5,138 | 4,659 |
| <i>Proposed Dividend</i> | 864 | 864 |
| | 53,209 | 61,022 |
| 7 Net Current Assets | 46,532 | 35,554 |
| <i>Expenditure carried fur ward</i> | 26 | 15 |
| Total Assets | 95,722 | 89,959 |
| 8 Shareholders' Fund | | |
| Share Capital | 40,164 | 3 9,999 |
| Reserves | | |
| <i>Share Premium</i> | 2,087 | 1,874 |
| <i>Reserve on consolidation</i> | 2,595 | 2,595 |
| <i>Retained Profit</i> | 44,119 | 38,516 |
| | 88,965 | 82,984 |
| 9 Minority Interests | 1,246 | 1,482 |
| 10 Long Term Borrowings | 1,758 | 1,690 |
| 11 Deferred Taxation | 3,753 | 3,803 |
| | 95,722 | 89,959 |
| 12 Net tangible assets per share (RM) | 2.21 | 2.07 |

Accounting policies and methods of computation

The quarterly report of the PLB Group is prepared under the historical cost convention modified to include the revaluation of certain land and buildings and in accordance with the provisions of the Companies Act, 1965 and approved accounting standards; and based on accounting policy and method of computation consistent with those applied in the annual report for year ended 31 August 1999

2 The nature and amount of each exceptional item

This represents exceptional gain on disposal of PLB KLI Bina Sdn Bhd's revalued leasehold land with building, as explained in note 6.

3 The nature and amount of each extraordinary item

Not applicable.

4 Taxation

The taxation is provided at statutory rate.

5 Pre-acquisition profit / (loss)

Not applicable.

6 Profit on sale of investments and/or properties for the current financial year to date

On 10/9/1999, PLB wholly-owned subsidiary, PLB-KH Bina Sdn Bhd has entered into an agreement to dispose a piece of revalued leasehold land with building with a net book value of RM5,018,148 as at 31 August 1999 for a consideration of RM7,200,000 by cash. The sale was completed on 11 January 2000.

7 Particulars of Purchase or Disposal of Quoted Securities

Not applicable.

8 The effect of changes in the composition of the company

On 7 April 2000, PLB Land Sdn Bhd disposed its wholly-owned subsidiary, Sebadi Corporation Sdn Bhd for a total cash consideration of RM2.00 to PLB-KH Bina Sdn Bhd. PLB Land Sdn Bhd and PLB-KH Bina Sdn Bhd are wholly-owned subsidiaries of PLB Engineering Berhad.

9 Status of Corporate Proposals

(a) The Securities Commission had on 28 January 2000 approved the proposed revision to the terms and conditions of the Profit Guarantee Agreement, dated 9 March 1998 ("Proposed Revision") between Leading Builders Sdn Bhd, the Guarantor and PLB. The Proposed Revision is to substitute the mode of security for the profit guarantee from the existing bank guarantee with placement of securities with a stakeholder for the 2 financial years ended/ending 31 August 1999 and 2000.

(b) The Securities Commission has on 19 April 2000 approved the following proposal by PLB, as proposed:-

- (i) bonus issue of up to a maximum of 28,714,667 new ordinary shares of RM1.00 each ("ordinary share") on the basis of two (2) new ordinary shares for every three (3) existing ordinary shares ("Proposed Bonus Issue"); and
- (ii) renounceable rights issue of up to a maximum of 21,536,000 new ordinary shares with up to a maximum of 21,536,000 free detachable warrants on the basis of one (1) new ordinary share together with one (1) free warrant for every two (2) existing ordinary shares held at an issue price of RM 1.00 per ordinary share ("Proposed Rights Issue").

The Proposed Bonus Issue and Proposed Rights Issue are subject to the approvals of the relevant authorities and the shareholders of PLB.

10 Seasonal or Cyclical Factors

Barring any major downside risk that could derail the favourable Malaysia's economic recovery, PLB Group is expected to enjoy continuous growth in profits and turnover.

11 Details of issuances and repayment of debt and equity securities, share-buy-backs, share cancellations, share held as treasury shares for the current financial year to date.

The Company has implemented its Employee Share Options Scheme ("ESOS") by granting 3,073,000 ESOS options on 23/8/1999. As at 26/4/2000, 320,000 of the ESOS option shares have been exercised.

12 Group Borrowings and Debt Securities

| As at | Group 29-02-00 RM | Secured 29-02-00 RM | Unsecured 29-02-00 RM | S/Term 29-02-00 RM | L/Term 29-02-00 RM |
|---------------------|-------------------------|---------------------------|-----------------------------|--------------------------|--------------------------|
| Banker's acceptance | 3,834,000 | | 3,834,000 | 3,834,000 | |
| Bank borrowings | 13,133,083 | 13,133,083 | | 13,133,083 | - |
| Hire purchases | 2,171,330 | - | 2,171,330 | 1,162,651 | 1,008,679 |
| Revolving credits | 5,948,533 | - | 5,948,533 | 5,948,533 | - |
| Term loans | 1,120,779 | 1,120,779 | | 371,250 | 749,529 |
| | 26,207,725 | 14,253,862 | 11,953,863 | 24,449,517 | 1,758,208 |

13 Details of **contingent liabilities**

RM

Corporate guarantees extended to financial institutions for banking facilities granted to subsidiary companies

30,209,376

Corporate guarantees **extended** to third parties for trade credit line granted to subsidiary companies

192,372

30,401,748
14 **Off Balance Sheet Financial Instruments**

Not applicable.

15 **Material Litigation**

(a) PLB Engineering Berhad ("PLB") vs Lean Seng Aluminium Glass Sdn Bhd ("LSAG")

There is a dispute between PLB and the vendors, Messrs Lee Chin Seng and Choo Cheng Sim, for the acquisition by PLB of the 51% issued and paid-up share capital of LSAG comprising of 255,000 ordinary shares of RM 1.00 each for a cash consideration of RM4,500,000 vide a Share Sale Agreement dated 7 October 1997. The dispute has not been resolved and PLB intends to proceed by way of civil suit against the-vendors, as advised by their solicitor.

(b) UCA Metal Marketing Sdn Bhd ("UCA") vs LSAG

UCA have obtained judgement against LSAG on 27 August 1999 for an amount of RM368,133.91. The Directors of PLB are seeking the advice of their solicitors in view of unresolved dispute between PLB and LSAG and mentioned in (a) above.

(c) PTL Gas System Sdn Bhd ("PTL") vs PLB-KH Bina Sdn Bhd ("PLB-KH")

On 24 January 2000, a notice under Section 218 of the Companies Act 1965 was served on PLB-KH by PTL's solicitors for failure by PLB-KH to pay an amount of RM482,445 being a claim in respect of building works done and services rendered. PLB-KH's solicitors have replied stating that there is a back-to-back agreement and that the alleged amount is disputed and the notice is premature. In fact, the amount claimed by PTL should be RM176,097.75 of which cash payment received, based on back-to-back agreement, is RM59,089.10 and PLB-KM has yet to receive the remaining balance sum of RM117,008.65 from the main contractor. The said sum of RM59,089.10 was paid to PTL via our solicitor's letter dated 30-3-2000. Meanwhile, PLB-KH had on 21 March 2000 executed the affidavit for the injunction against PTL to restrain PTL from filing of the winding up petition. As PTL's solicitors have agreed to furnish an undertaking not to proceed with the the winding-up petition against PLB-KH and their solicitors have yet to receive the same till today, PLB-KM's solicitors have proceeded with the filing of the affidavit for the injunction on 21 April 2000.

(d) Thermo-Plast Corporation Sdn Bhd ("TPC") vs PLB-KH

TPC's petition for winding-up was fixed for hearing on 14 April 2000. PLB-KH's originating motion to strike out TPC's winding-up petition was filed on 13 March 2000 and also fixed for hearing on 14 April 2000. The court has adjourned the matter to 30 June 2000 and TPC's petition is also fixed for mention on 30 June 2000. Meanwhile, PLB-KH has deposited the alleged disputed claim of RM14,045.00 with their solicitors, Khor Anuar & Khong as stakeholder in the event that the honourable Court ruled otherwise.

16 **Segmental Reporting**

| | Turnover | Profit/(Loss) before taxation | Total assets employed |
|----------------------|-------------------|-------------------------------------|--------------------------|
| | RM | RM | RM |
| Investment holding | | (636,943) | 3,331,268 |
| Property letting | 581,859 | (3,507,65) | 16,151,890 |
| Construction | 29,690,940 | 8,756,912 | 108,728,184 |
| Manufacturing | - | (645,257) | 7,067,157 |
| Property development | - | (107,942) | 13,274,346 |
| Associated companies | | 370,116 | 378,502 |
| | <u>30,272,799</u> | <u>7,376,100</u> | <u>148,931,347</u> |

Note:

Turnover represents contract fees received and receivable, progress billings on development properties sold

which reflects the stages of completion of contract and projects, invoiced value of goods sold and investment and rental income.

17 Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

Turnover and profit after taxation attributable to members for three months period ended 28/2/2000 recorded RM22.1 million and RM5.1 million respectively which is higher than preceding quarter. This is mainly due to substantial construction work completed and duly certified and captured as turnover in current quarter. PLB Group's improved performance in the quarter under review is partly contributed by an exceptional gain on disposal of PLB-KH Bina Sdn. Bhd.'s revalued leasehold land with building of RM1,791,000 which was completed on 11 January 2000.

18 Review of Results

PLB Group has registered a turnover and profit after taxation attributable to members of the company of RM30.2 million and RM5.6 million respectively for the six months period ended 29/02/2000. This represents an increase of 27% and 58% respectively as compared to the result of the preceding year comparative period. The increase in profitability is mainly attributable to interest saving as a result of reduction in bank interest rate and repayment of bank borrowings, and substantial discount enjoyed on cash purchases instead of purchasing on credit. Higher profit after taxation attributable to members of the company is also partly due to the reason that majority of construction work done completed but uncertified as at 29/2/2000 is reflected as contract work in progress.

Underpinning the economy recovery, the stimulus market demand has enabled PLB Group to secure and complete relatively more residential and government projects in the quarter under review.

19 Prospects

The 1999/2000 Malaysia Economic Report outlined that demand for construction sector will improve by 5% in Year 2000, followed by government higher allocation of funds for property and construction sector. Additional financing extended by financial institution at lower interest rate has further brightened up the market demand on low and medium cost residential housing schemes and the industrial investment opportunities like factory building.

For the period under review, the Group has secured a total of RM67 million construction projects as follows:-

- . RM1.5 million extension work done for LKC Hospital Products Sdn Bhd
- . RM10.6 million of 69 units Double Storey Terrace House, 44 units Double Storey Semi-Detached House and Associated Houses and Associated External works for DNP Land Sdn Bhd.
- . RM42.1 million low and medium cost housing development projects for-Henrietta Rubber Estate Ltd and,
- . RM 2.3 million of lowest basement slab and site works for Vision Well Sdn Bhd.

The management believes PLB Group is well positioned to take advantage of the revitalised Malaysia economic condition in year 2000. PLB Group will continue to consolidate its strength in construction of low and medium cost mix development and government projects as well as diversifying horizontally in property development to reap the benefit of synergy effect which will poise to contribute positively to Group performance and growth.

20 (a) Variation of Actual Profit from Forecast Profit
Not applicable.

(b) Profit Gurnntec
Not applicable.

21 Dividend

The company does not intend to declare any dividend for this quarter.