

9. FINANCIAL INFORMATION

9.1 Consolidated Profit and Dividend Record

The following table has been extracted from the Accountants' Report set out in Section 11 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

The summarised proforma consolidated audited results of the PJSB Group for the past five (5) FYs ended 31 December 1998 to 31 December 2002 has been prepared based on audited accounts of the PJSB Group for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report.

Financial year ended 31 December	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000
Turnover	69,527	49,419	53,833	65,169	80,224
Gross Profit	36,245	22,825	26,544	30,016	41,979
EBIDTA	16,990	8,736	11,691	15,108	17,956
Interest Expense	2,790	3,204	3,311	2,854	2,183
Depreciation	1,846	1,587	1,314	1,346	1,494
Profit before taxation	12,354	3,945	7,066	10,908	14,279
Taxation	(5,133)	798	(2,529)	(2,704)	(5,311)
Profit after taxation	7,221	4,743	4,537	8,204	8,968
Minority interest	-	-	-	-	-
Profit after taxation and minority interest	7,221	4,743	4,537	8,204	8,968
No. of ordinary shares in issue ⁽¹⁾ ('000)	38,260	38,260	38,260	38,260	38,260
Gross EPS (sen)	32.29	10.31	18.47	28.51	37.32
Net EPS (sen)	18.87	12.40	11.86	21.44	23.44
Dividend (sen)	-	-	-	-	-

Notes:-

(1) Based on the issued share capital of RM38,260,000 comprising 38,260,000 ordinary shares of RM1.00 each in PJSB after the Acquisition of PJSS and Bonus Issue.

(2) There is no exceptional or extraordinary items for all the financial years under review.

9. FINANCIAL INFORMATION (Cont'd)

9.2 Segmental Analysis of Revenue and Profit**9.2.1 Analysis of Turnover and Profit****Analysis of Turnover by companies:**

	1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
<u>By Company:</u>					
PJSB	50,534	40,807	53,157	61,373	73,239
JFI	28,845	24,525	30,962	32,192	34,465
PJSS	18,708	10,844	4,489	7,017	7,651
AJSB	-	-	-	777	1,917
PJSTS	-	-	-	-	-
Consolidated adjustments	(28,560)	(26,757)	(34,775)	(36,190)	(37,048)
Proforma Consolidated Turnover	69,527	49,419	53,833	65,169	80,224

Analysis of PAT by companies:

	1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
PAT					
<u>By Company:</u>					
PJSB	3,435	2,783	2,086	3,289	14,863
JFI	1,992	117	2,430	4,370	2,910
PJSS	2,279	1,246	21	546	69
AJSB	-	-	-	82	127
PJSTS	-	-	-	(2)	(1)
Consolidated adjustments	(485)	597	-	(81)	(9,000)
Proforma Consolidated PAT	7,221	4,743	4,537	8,204	8,968

9. FINANCIAL INFORMATION (Cont'd)**Analysis of Turnover by Products and Services:**

	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000
Turnover					
<u>By Products:</u>					
HI-KLEEN	42,199	28,493	33,735	39,297	28,577
SUPER- SEPT	2,514	2,394	2,364	1,774	3,281
SATS	4,986	5,415	11,478	13,666	33,936
UST	3,720	1,695	3,042	3,264	3,441
Subtotal	53,419	37,997	50,619	58,001	69,235
<u>By Services:</u>					
Installation	-	779	1,473	1,717	2,158
Others	141	2,346	1,093	1,655	3,763
Management expertise	18,708	10,844	4,489	7,794	7,651
Subtotal	18,849	13,969	7,055	11,166	13,572
Subtotal for products and Services	72,268	51,966	57,674	69,167	82,807
Consolidated adjustments	(2,741)	(2,547)	(3,841)	(3,998)	(2,583)
Proforma Consolidated Turnover	69,527	49,419	53,833	65,169	80,224

9.2.2 Impact of Interest rates on Operating Profits

	Year ended 31 December				
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000
PBT	12,354	3,945	7,066	10,908	14,280
Interest expense	2,790	3,204	3,311	2,854	2,182
PBT before interest	15,144	7,149	10,377	13,762	16,462
Interest coverage ratio	5.4	2.2	3.1	4.8	7.5

9. FINANCIAL INFORMATION (Cont'd)

9.3 Directors' Declaration on Financial Performance

Save as disclosed in Sections 3 and 9.4 of this Prospectus, the Directors are of the view that the financial conditions and operations of the company and its subsidiaries are not affected by any of the following:

- (i) any known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the PJSB Group;
- (ii) any material commitment for capital expenditure;
- (iii) any unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the PJSB Group;
- (iv) any substantial increase in revenue; and
- (v) any known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position of the Group.

The Directors of PJSB Group believe that to the best of their knowledge that:

- (i) all trade debts exceeding the credit period (overdue trade debts) are recoverable; and
- (ii) full provision for doubtful and bad debts have been made in the audited financial statements for the financial year ended 2002 and in the profit forecasts for the financial year ending 31 December 2003 for all trade debts that :
 - (a) are in dispute , where legal actions have been taken;
 - (b) are more than six(6) months from the date of invoice for trade debts from the private sectors; and
 - (c) are more than six(6) months from the date of testing and commissioning or eighteen(18) months from the date of invoice, whichever is earlier, for trade debts from the government sectors.

The Directors of PJSB also believe that even though full provision for doubtful debts have been made for all trade debts that fall under category (ii)(b) and (ii)(c) above, the trade debts are still collectable due to the nature of the industry whereby collections from the customers, based on PJSB Group's past experience will only be received upon the successful testing and commissioning of the Group's products delivered to them.

9.4 Working Capital, Borrowings, Contingent Liabilities and Material Commitment**(i) Working Capital**

The Directors of PJSB are of the opinion that, after taking into account the cashflow forecast and projections, the banking facilities available and the net proceeds from the IPO, the Group will have adequate working capital for its foreseeable future requirements.

9. FINANCIAL INFORMATION (Cont'd)**(ii) Borrowings**

As at 31 May 2003 (being the last practicable date prior to the printing of this Prospectus) the total bank borrowings in the form of term loans, trust receipts, letters of credit, banker's acceptance and hire purchase financing amounted to approximately RM33.897 million. The borrowings can be analysed further as follows:

	RM '000
Long Term	19,592
Short Term	14,305
	<u>33,897</u>
Interest Bearing	33,897
Non-interest Bearing	-
TOTAL	<u><u>33,897</u></u>

(iii) Contingent Liabilities

The Directors of PJSB declare that, as at 31 May 2003, the Group has no contingent liabilities.

(iv) Capital Commitment

As at 31 May 2003 (being the latest practicable date prior to the printing of Prospectus) the Group has the following material capital commitments:

	RM'000
Approved and contracted for	1,600
Approved but not contracted for	1,873
Total	<u><u>3,473</u></u>

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9. FINANCIAL INFORMATION (Cont'd)

9.5 CONSOLIDATED PROFIT FORECAST AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2003
(Prepared for inclusion in the Prospectus)

AF: 0039

PEMBINAAN JAYABUMI (SARAWAK) BERHAD
CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2003

The Directors of Pembinaan Jayabumi (Sarawak) Berhad forecast that barring unforeseen circumstances, the forecast financial performance of the Group for the financial year ending 31 December 2003 will be as follows:-

	Forecast 2003 RM'000
Financial Year Ending 31 December	
Turnover	<u>88,970</u>
Consolidated profit before tax and minority interest	17,419
Taxation	<u>(4,877)</u>
Consolidated profit after tax	12,542
Minority interests	<u>-</u>
Consolidated profit after tax and minority interest	<u>12,542</u>
Weighted average number of shares in issue ('000) ⁽¹⁾	43,600
Number of enlarged shares in issue ('000) ⁽²⁾	50,000
Gross EPS (sen) ⁽²⁾	39.95
Net EPS (sen) ⁽²⁾	28.77
Fully diluted gross EPS (sen) ⁽³⁾	34.84
Fully diluted net EPS (sen) ⁽³⁾	25.08
Gross price earning multiple (times) ⁽⁴⁾	4.26
Net price earning multiple (times) ⁽⁴⁾	5.91
Gross price earning multiple (times) ⁽⁵⁾	4.88
Net price earning multiple (times) ⁽⁵⁾	6.78



AF: 0039

**PEMBINAAN JAYABUMI (SARAWAK) BERHAD
CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER
2003 (CONTD.)**

Notes:

1. Weighted number of ordinary shares in issue of 43,600,000 ordinary shares of RM1.00 each was calculated after taking into account that the acquisition of PJS Services Sdn. Bhd. which was completed on 21 January 2003, bonus issue through the issuance of 25,333,688 new ordinary shares of RM1.00 each in PJSB to the existing shareholders which was completed on 19 May 2003 and the renounceable rights issue which entails the issuance of 5,240,000 new ordinary shares of RM1.00 each in PJSB which was completed on 18 June 2003. It was also assumed that the Public Issue and Offer For Sale would be completed in the financial year ending 31 December 2003.
2. Based on the weighted average number of shares in issue.
3. Based on the enlarged issued and paid-up share capital of RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each in after the Public Issue.
4. Calculated based on the gross and net EPS based on the weighted average number of shares of RM1.00 each.
5. Calculated based on the fully-diluted gross and net EPS.



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**PEMBINAAN JAYABUMI (SARAWAK) BERHAD
CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER
2003 (CONTD.)**

The principal bases and assumptions upon which the consolidated profit forecast have been prepared are as follows:-

- 1) The Public Issue and Offer for sale are expected to be completed in the financial year ending 31 December 2003. All shares will be fully subscribed.
- 2) There will be no material changes in the structure and principal activities of the Group other than those taken in the forecast.
- 3) There will be no material changes in the management, trading and accounting policies currently adopted by the Group.
- 4) The prevailing economic conditions in the locations where the Group operates are expected to remain stable.
- 5) There will be no material changes in the present legislation or regulations, rates and basis of duties, levies and taxes, in the locations where the Group operates, affecting the Group's activities.
- 6) The existing and projected financing facilities will remain and will be made available to the Group and at the prevailing interest rates. Additional financing facilities required by the Group will also be available at the prevailing interest rates.
- 7) Inflation rate will remain as projected and exchange rates of foreign currencies will not materially change from their present levels.
- 8) All specified and prospective customers identified in the projections will be secured and production will commence in accordance with the existing proposed production plan.
- 9) There will be sufficient manpower and there will be no major breakdown or disruption in manufacturing facilities, disruption in supplies of materials, industrial disputes, exceptional losses or other abnormal factors, both domestic and overseas, which will adversely affect the operations of the Group.
- 10) There will be no material increase in wages, cost of raw materials and other costs that will be adversely affect the activities and operations of the Group.
- 11) There will be no significant capital expenditure other than those currently planned.

9. FINANCIAL INFORMATION (Cont'd)

9.6 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST OF THE PJSB GROUP FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2003
(Prepared for inclusion in the Prospectus)



AF: 0039

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23 June 2003

The Board of Directors
Pembinaan Jayabumi (Sarawak) Berhad
National Aerospace & Defence Industries Building
P.T. 192, Jalan Lapangan Terbang Subang
47200 Subang
Selangor Darul Ehsan

Dear Sirs,

**PEMBINAAN JAYABUMI (SARAWAK) BERHAD
CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER
2003**

We have reviewed the accounting policies and calculations for the consolidated profit forecast after taxation of Pembinaan Jayabumi (Sarawak) Berhad ("PJSB") and its subsidiary companies (collectively, "the Group"), for the financial year ending 31 December 2003 for which the Directors are solely responsible as set out in the Prospectus to be dated 30 June 2003 which we have stamped for the purpose of identification in connection with the following proposals:

- i. Public issue of 6,500,000 new ordinary shares of RM1.00 each in PJSB at an issue price of RM1.70 per share (the "Public Issue") and offer for sale of 6,500,000 existing ordinary shares of RM1.00 each in PJSB at an offer price of RM1.70 per share (the "Offer For Sale"); and
- ii. The listing of and quotation for the entire enlarged issued and paid-up share capital comprising 50,000,000 ordinary shares of RM1.00 each in PJSB on the Second Board of Kuala Lumpur Stock Exchange.

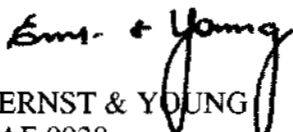
9. FINANCIAL INFORMATION (Cont'd)

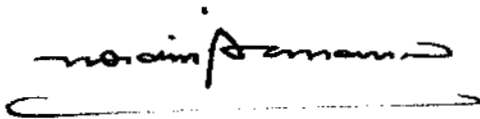


**REPORTING ACCOUNTANTS' LETTER ON THE
CONSOLIDATED PROFIT FORECAST OF PJSB (CONTD.)**
(Prepared for inclusion in the Prospectus)

In our opinion, the consolidated profit forecast after taxation so far as the accounting policies and calculations are concerned, has been properly complied on the basis of the assumptions made by the Directors, as set out in the Prospectus, and is presented on a basis consistent with the accounting policies normally adopted by the PJSB Group.

Yours faithfully


ERNST & YOUNG
AF:0039
Chartered Accountants



Dato' Nordin Baharuddin
837/03/04(J)
Partner

9. FINANCIAL INFORMATION (Cont'd)

9.7 Directors' Comments on The Profit Forecast

The Directors' commentary on the achievability of the aforesaid forecast is as follows:

The Directors of PJSB have reviewed and analysed the reasonable bases and assumptions in arriving at the profit forecast for the financial year ending 31 December 2003 and are of the opinion that the profit forecast for the financial year ending 31 December 2003 to be true and fair in light of the future prospects of the industry, future plans and strategies to be adopted by the PJSB Group after taking into consideration the level of gearing, liquidity and working capital requirements of the Group. For the financial year ending 31 December 2003, the Group forecasts a consolidated turnover of about RM88.97 million or 11% increase from the RM80.22 million turnover for the financial year ended 31 December 2002. This is mainly due to the contribution from the sales of HI-KLEEN system towards the overall sales of the Group. The expected increase in the sales of HI-KLEEN system and other system are due to the greater contracts anticipated from the government. Under the Eight Malaysia Plan 2001 to 2005, the government has provided a substantial allocation for infrastructure and utilities development to promote better quality life for Malaysians. For 2001 to 2005, the government has allocated a total of RM27 billion for infrastructure and utilities, whereby RM5.6 billion will be allocated for utilities. It is anticipated that the government will allocate RM4.0 billion for water supply and the remaining RM1.6 billion will be for sewerage.

The Group has forecasted to achieve consolidated PAT of approximately RM12.542 million which represent an increase of 40% from the RM8.968 million recorded in the previous financial year ended 31 December 2002. The expected increase in PAT is in tandem with the anticipated increase in turnover.

The main reasons for the expected improvement of the performance of the Group are the following:

- (i) Leveraging on the SKSP initiative to assist the government in developing the rural economies, thus encouraging the government to award future projects to PJSB;
- (ii) Having long term relationship with the government since 1993 through the central contract by providing excellent before and after sales services;
- (iii) Increasing percentage of sales contributed by the government sector, to minimize cash flow and collection risk involved in doing business with the private sector, especially during the economic crisis;
- (iv) Improved performance of younger and more qualified professionals in the management team; and
- (v) Successful diversification in the solid waste management and cleansing business.

9.8 Sensitivity Analysis

The following sensitivity analysis is prepared by the management of the Group and has not been independently verified by the Reporting Accountants. It is based on the forecast assumptions set out in the Section 9.5 above and assuming all factors remaining unchanged except for the 5% and 10% upward or downward variations in the turnover and the cost of sales. Notwithstanding the impacts of the variations in the turnover and cost of sales as outlined here, there may exist other factors which have not been taken into account, while variations may have a significant effect, either positively or negatively, on the financials of the Group. The sensitivity analysis is as follows:

9. FINANCIAL INFORMATION (Cont'd)**9.8.1 Variations in Turnover****Forecast for the financial year ending 31 December 2003**

	Turnover RM'000	Cost of Sales RM'000	Gross Profit RM'000	PBT RM'000	PAT & After MI RM'000	GP Margin % RM'000
As Forecast	88,970	47,243	41,727	17,419	12,542	47%
Up to 10%	97,867	47,243	50,624	19,161	13,796	52%
Up to 5%	93,419	47,243	46,176	18,290	13,169	49%
Down 5%	84,522	47,243	37,279	16,548	11,915	44%
Down 10%	80,073	47,243	32,830	15,677	11,288	41%

Turnover represents:

- Proportionate sales value of project under construction according to stage of completion.
- Sales value of maintenance services rendered.

The sensitivity analysis on turnover is prepared based on the assumption that the gross profit margin remains unchanged.

9.8.2 Variations in Cost of Sales**Forecast for the financial year ending 31 December 2003**

	Turnover RM'000	Cost of Sales RM'000	Gross Profit RM'000	PBT RM'000	PAT & After MI RM'000	GP Margin % RM'000
As Forecast	88,970	47,243	41,727	17,419	12,542	47%
Up to 10%	88,970	51,967	37,003	19,161	13,796	42%
Up to 5%	88,970	49,605	39,365	18,290	13,169	44%
Down 5%	88,970	44,881	44,089	16,548	11,915	50%
Down 10%	88,970	42,519	46,451	15,677	11,288	52%

The sensitivity analysis on cost of sales is prepared based on the assumption that all other things remain unchanged except for the 5% and 10% upward and downward variations in the cost of sales.

As shown in the table above, a ten percent (10%) increase in the cost of sales is expected to decrease the gross profit margin to 42% as compared to the forecasted gross profit margin of 47%.

9. FINANCIAL INFORMATION (Cont'd)**9.9 Dividend Forecast and Policy**

Based on the consolidated profit forecast for the financial year ending 31 December 2003 and assuming that the current basis for calculating taxation and the rates of taxation remain unchanged, the Directors of PJSB anticipate that, in the absence of any unforeseen circumstances, the Company will be in a position to propose a tax-exempt dividend of 5 sen per share for the financial year ending 31 December 2003, based on the enlarged issued and paid-up share capital of 50,000,000 ordinary shares of RM1.00 each.

The intended appropriation of the forecast consolidated PAT for the financial year ending 31 December 2003 would be as follows:

	Financial Year Ending 31 December 2003 RM'000
Consolidated PBT	17,419
Less : Taxation	(4,877)
Consolidated PAT	12,542
Less :	
• Proposed tax-exempt dividend	(2,500)
Consolidated retained profit for the year	10,042
Tax exempt dividend per share (sen)	5.00
Tax exempt dividend yield based on the Issue/Offer price of RM1.70 per share (%)	2.94
Net dividend coverage (times)	5.02

9. FINANCIAL INFORMATION (Cont'd)

9.10 PROFORMA CONSOLIDATED BALANCE SHEETS OF PJSB GROUP AS AT 31 DECEMBER 2002

(Prepared for inclusion in the Prospectus)

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**PEMBINAAN JAYABUMI (SARAWAK) BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2002**

	Audited as at 31.12.2002 RM'000	Proforma I RM'000	Proforma II RM'000	Proforma III RM'000	Proforma IV RM'000
PROPERTY, PLANT AND EQUIPMENT	38,422	38,563	38,563	38,563	38,563
INVESTMENTS	29,942	29,942	29,942	29,942	29,942
INTANGIBLE	2,679	2,679	2,679	2,679	2,679
CURRENT ASSETS					
Inventory	3,417	3,417	3,417	3,417	3,417
Trade and other receivables	20,982	23,868	23,868	23,868	23,868
Amount due from customers	-	143	143	143	143
Amount due from related companies	765	830	830	830	830
Deposits with licensed banks	10,776	10,776	10,776	10,776	10,776
Cash and bank balances	4,307	4,324	4,324	4,324	4,324
	40,247	43,358	43,358	43,358	43,358
CURRENT LIABILITIES					
Trade payables	8,293	9,337	9,337	4,097	-
Other payables	7,040	7,564	7,564	7,564	4,036
Hire purchase creditors	558	560	560	560	560
Amount due to ultimate holding company	129	724	724	724	724
Amount due to related companies	832	391	391	391	391
Amount due to directors	116	116	116	116	116
Short term borrowings	13,554	13,554	13,554	13,554	13,554
Taxation	11,325	11,500	11,500	11,500	11,500
	41,847	43,746	43,746	38,506	30,881
NET CURRENT (LIABILITIES)/ASSETS	(1,600)	(388)	(388)	4,852	12,477
	69,443	70,796	70,796	76,036	83,661

9. FINANCIAL INFORMATION (Cont'd)



AF: 0039

PEMBINAAN JAYABUMI (SARAWAK) BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2002
(CONTD.)

	Audited as at 31.12.2002 RM'000	Proforma I RM'000	Proforma II RM'000	Proforma III RM'000	Proforma IV RM'000
REPRESENTED BY :-					
SHARE CAPITAL	12,513	12,926	38,260	43,500	50,000
SHARE PREMIUM	-	871	871	871	3,621
CAPITAL RESERVE	2,000	2,000	2,000	2,000	2,000
RESERVE ON CONOLIDATION	-	69	69	69	69
RETAINED PROFIT	36,306	36,306	10,972	10,972	10,972
SHAREHOLDERS' FUNDS	50,819	52,172	52,172	57,412	66,662
HIRE PURCHASE CREDITORS	1,117	1,117	1,117	1,117	1,117
TERM LOANS	17,263	17,263	17,263	17,263	15,638
DEFERRED TAXATION	244	244	244	244	244
	<u>69,443</u>	<u>70,796</u>	<u>70,796</u>	<u>76,036</u>	<u>83,661</u>
Net tangible assets	<u>48,140</u>	<u>49,493</u>	<u>49,493</u>	<u>54,733</u>	<u>63,983</u>
Net tangible assets per shares (RM)	<u>3.85</u>	<u>3.83</u>	<u>1.29</u>	<u>1.26</u>	<u>1.28</u>



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**PEMBINAAN JAYABUMI (SARAWAK) BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2002**

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

The Proforma Consolidated Balance Sheets of PJSB Group, for which the Directors are solely responsible, have been prepared based on the audited consolidated balance sheet of the PJSB Group as at 31 December 2002 and accounting principles and bases consistent with those previously adopted in the preparation of audited financial statements and are provided for illustrative purposes only, to show the effects of the following events on the assumption that they were completed on 31 December 2002:

PROFORMA I – AFTER INCORPORATION OF ACQUISITION OF PJSS

The Proforma Consolidated Balance Sheet I is stated after the acquisition of the entire issued and paid-up share capital of PJSS comprising 250,000 ordinary shares of RM1.00 each from PJSI for a total consideration of RM1,285,077 satisfied by the issue of 413,812 ordinary shares of RM1.00 each in PJSB at an issue price of approximately RM3.11 per share.

PROFORMA II– AFTER PROFORMA I AND BONUS ISSUE

The Proforma Consolidated Balance Sheet II is stated after the effects of Proforma I and the bonus issue of 25,333,688 new ordinary shares of RM1.00 each in PJSB to the existing shareholders of PJSB to be credited as fully paid up on the basis approximately 195 new ordinary shares for every 100 existing ordinary shares held by the shareholders of the Company after the Acquisition of PJSS by capitalising the unappropriated profits of the Group.

PROFORMA III– AFTER PROFORMA II AND RENOUNCEABLE RIGHTS ISSUE

The Proforma Consolidated Balance Sheet III is stated after the effects of Proforma II and the renounceable rights issue of 5,240,000 new ordinary shares of RM1.00 each in PJSB to the existing shareholders of PJSB at par on a proportionate basis, who renounced their entire entitlements for such Rights Issue shares to the existing shareholders/directors of PJSI equally, except for Tan Sri Dato' Ahmad bin Johan.

The proceeds from the renounceable right issue of RM5.24 million will be utilised for working capital purposes.

PROFORMA IV– AFTER PROFORMA III AND PUBLIC ISSUE

The Proforma Consolidated Balance Sheet IV is stated after the effects of Proforma III and public issue of 6,500,000 new ordinary shares in PJSB at an issue price of RM1.70 per share and offer for sale of 6,500,000 existing ordinary shares of RM1.00 each in PJSB at an offer price of RM1.70 per share.

The net proceeds from the proposed public issue of RM9.25 million (net of listing expenses of RM1.8 million) will be utilised for working capital purposes amounting to RM7.63 million and for term loan repayment amounting to RM1.62 million respectively.

9. **FINANCIAL INFORMATION (Cont'd)**

9.11 **REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2002**

(Prepared for inclusion in the Prospectus)



AF: 0039

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23 June 2003

The Board of Directors
Pembinaan Jayabumi (Sarawak) Berhad
National Aerospace & Defence Industries Building
P.T. 192, Jalan Lapangan Terbang Subang
47200 Subang
Selangor Darul Ehsan

Dear Sirs,

**PEMBINAAN JAYABUMI (SARAWAK) BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2002**

We have reviewed the Proforma Consolidated Balance Sheets of Pembinaan Jayabumi (Sarawak) Berhad ("PJSB") and its subsidiary companies (collectively, "the Group"), as at 31 December 2002 together with the accompanying notes thereto, for which the Directors are solely responsible, as set out in the Prospectus to be dated 30 June 2003, which we have stamped for the purpose of identification, in connection with the following proposals:

- i. Public issue of 6,500,000 new ordinary shares of RM1.00 each in PJSB at an issue price of RM1.70 per share (the "Public Issue") and offer for sale of 6,500,000 existing ordinary shares of RM1.00 each in PJSB at an offer price of RM1.70 per share (the "Offer For Sale"); and
- ii. The listing of and quotation for the entire enlarged issued and paid-up share capital comprising 50,000,000 ordinary shares of RM1.00 each in PJSB on the Second Board of Kuala Lumpur Stock Exchange.

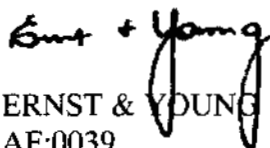


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**REPORTING ACCOUNTANTS' LETTER ON THE
PROFORMA CONSOLIDATED BALANCE SHEETS OF PJSB (CONTD.)**
(Prepared for inclusion in the Prospectus)

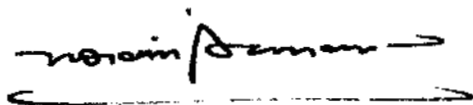
In our opinion, the Proforma Consolidated Balance Sheets which have been prepared for illustrative purposes only, have been properly prepared on the bases set out in the accompanying notes to the Proforma Consolidated Balance Sheets and on bases and accounting principles consistent with those previously adopted by the Group in the preparation of its audited financial statements and in the form suitable for inclusion in the abovementioned Prospectus.

Yours faithfully


ERNST & YOUNG

AF:0039

Chartered Accountants



Dato' Nordin Baharuddin

837/03/04(J)

Partner

9. FINANCIAL INFORMATION (Cont'd)**9.12 MOVEMENTS IN THE SHARE CAPITAL AND SHARE PREMIUM**

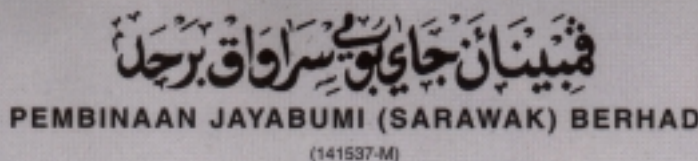
The movements in the share capital and share premium account of the Company are as follows:

	Share capital	Unappropriated profits	Distributable reserve	Reserve on Consolidation	Undistributable reserve	Total
As at 31 December 2002	12,512,500	36,305,670	-	-	2,000,000	50,818,170
Proforma 1: Acquisition of PJSS and other transactions	12,926,312	36,305,670	871,265	69,277	2,000,000	52,172,524
Proforma 2 : Bonus Issue	38,260,000	10,971,982	871,265	69,277	2,000,000	52,172,524
Proforma 3 Renounceable Rights Issue	43,500,000	10,971,982	871,265	69,277	2,000,000	57,412,524
Proforma 4 : IPO	50,000,000	10,971,982	5,421,265	69,277	2,000,000	68,462,524
Less : Listing expenses:	50,000,000	10,971,982	3,621,265	69,277	2,000,000	66,662,524

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10. DIRECTORS' REPORT

(Prepared for inclusion in the Prospectus)



23 June 2003

The Shareholders of

PEMBINAAN JAYABUMI (SARAWAK) BERHAD

National Aerospace & Defence Industries (NADI) Building

P.T. 192, Jalan Lapangan Terbang Subang

47200 Subang

Selangor Darul Ehsan

Dear Sir / Madam

On behalf of the Board of Directors, I wish to report after due enquiry that between the period from 31 December 2002 (being the date to which the last audited final statements of the Company and its subsidiaries ("Group") has been made up) to 23 June 2003 (being a date not earlier than 14 days before the issuance of this Prospectus), that :-

- a) the business of the Group has, in the opinion of the Directors, been satisfactorily maintained;
- b) in the opinion of the Directors, no circumstances have arisen since to the last audited financial statements of the Group which have adversely affected the trading or the value of the assets of the Group;
- c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- d) save as disclosed in Section 9.4 of this Prospectus, no contingent liabilities have arisen by reason of any guarantees or indemnities given by the Company or any of its subsidiaries or associated companies; and
- e) save as disclosed in the "Proforma Consolidated Balance Sheets" and the "Accountants' Report" of this Prospectus, there have been no changes in the published reserves or any unusual factors affecting the profits of the Group since the last audited financial statements of the Group.

Yours faithfully,

For and on behalf of the Board of Directors

PEMBINAAN JAYABUMI (SARAWAK) BERHAD


Director

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Tel: 03-4257 0764/590/773/643/916, 4252 4294/95/96, 4253 5789/70 Fax: 03-4257 0929

Registered Address: Lot 46, 1st & 2nd Floor, Jalan Setiawangsa 11A, Taman Setiawangsa, 54200 Kuala Lumpur.
Tel: 03-4257 5600, 4257 0117/182, 4255 4293 Fax: 03-4257 4587 (Tech & Admin Dept)
Tel: 03-4257 0764/590/773/643/916 Fax: 03-4257 0929 (Sales & Account Dept)