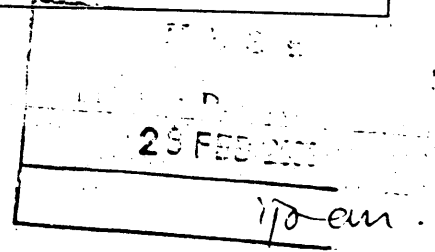


Form Version 1.0
Financial Result Announcement
 Ownership transfer to POSIM/EDM8/KLEE on 20-02-2000 02:36:14 AM
 Reference No PP-000229-3F088

Submitting Merchant Bank (if applicable) :
 Submitting Secretarial Firm Name (if applicable) :
 * Company name : Posim Berhad
 * Stock name : POSIM
 * Stock code : 0400
 * Contact person : Tan Seiw Ling
 * Designation : Secretary



* Financial Year End : 30-06-2000 10
 * Quarter : 1 Qtr 2 Qtr 3 Qtr 4 Qtr Other

Quarterly report on consolidated results for the financial period ended
 * 31-12-99 10

* The figures have been audited have not been audited.

CONSOLIDATED INCOME STATEMENT

| | INDIVIDUAL PERIOD | | COMPARATIVE PERIOD | |
|---|----------------------|-------------------------------------|---------------------|----------------------|
| | CURRENT YEAR QUARTER | PREVIOUS YEAR CORRESPONDING QUARTER | CURRENT YEAR PERIOD | PREVIOUS YEAR PERIOD |
| 1 (a) Turnover | 1148221 | 1067000 | 2315442 | 2134000 |
| (b) Investment income | | | | |
| (c) Other income including interest income | 1486 | | 2972 | 1374 |
| 2 (a) Operating profit/(loss) before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items | 29458 | 10000 | 59916 | 20728 |
| (b) Less interest on borrowings | 1426 | | 2852 | 1300 |
| (c) Less depreciation and amortisation | 14355 | | 28977 | 12180 |
| (d) Exceptional items | | | | |

POSIM BERHAD (82056-X)

Signature

Secretary

28 FEB 2000

POSIM BERHAD (82056 - X)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31/12/1999.
The figures have not been audited.

CONSOLIDATED INCOME STATEMENT

| | NOTE | INDIVIDUAL | CUMULATIVE | |
|---|------|------------|------------|---------------|
| | | QUARTER | QUARTER | |
| | | CURRENT | CURRENT | PREVIOUS YEAR |
| | | YEAR | YEAR | CORRESPONDING |
| | | QUARTER | TO DATE | PERIOD |
| | | 31/12/1999 | 31/12/1999 | 31/12/1998 |
| | | RM'000 | RM'000 | RM'000 |
| 1. (a) Turnover | | 148,221 | 325,352 | 253,117 |
| (b) Investment income | | - | - | - |
| (c) Other income including interest income | | 1,466 | 3,122 | 4,614 |
| 2. (a) Operating profit/(loss) before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items | c | 29,468 | 76,784 | 48,978 |
| (b) Interest on borrowings | | (1,125) | (2,537) | (8,190) |
| (c) Depreciation and amortisation | | (14,355) | (28,903) | (24,100) |
| (d) Exceptional items | 2 | - | - | - |
| (e) Operating profit/(loss) after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items | | 13,978 | 45,346 | 16,688 |
| (f) Share in the results of associated companies | | (1,023) | (834) | (1,345) |
| (g) Profit/(loss) before taxation, minority interests and extraordinary items | | 12,955 | 44,512 | 15,343 |
| (h) Taxation | 4 | 83 | (311) | 25 |
| (i) Profit/(loss) after taxation before deducting minority interests | | 13,038 | 44,201 | 15,369 |
| (ii) Less minority interests | | (360) | (1,079) | (2,592) |
| (j) Profit/(loss) after taxation attributable to members of the company | | 12,678 | 43,122 | 12,777 |
| (k) (i) Extraordinary items | 3 | - | - | - |
| (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 | | 12,678 | 43,122 | 12,777 |
| 3. Earnings per share based on 2(j) above after deducting any provision for preference dividends :- | | | | |
| (i) Basic (based on 203.0 million ordinary shares) (sen) | | 62 | 21.2 | 6.3 |
| (ii) Fully diluted (based on 203.0 million ordinary shares) (sen) | | 62 | 21.2 | 6.3 |

POSIM BERHAD (82056-X)

Secretary

28 FEB 2000

POSIM BERHAD (82056-X)
(Incorporated in Malaysia)

QUARTERLY REPORT (Cont'd)

NOTES

1. ACCOUNTING POLICIES

The accounts of the Group are prepared using accounting policies and methods of computation consistent with those adopted in the most recent annual financial statement. There have been no significant changes to these policies.

2. EXCEPTIONAL ITEMS

There were no exceptional items for the quarter under review.

3. EXTRAORDINARY ITEMS

There were no extraordinary items for the quarter under review.

4. TAXATION

Taxation includes :-

- (a) Current
- (b) Associated companies
- (c) Overprovision in prior years

| | INDIVIDUAL QUARTER | CUMULATIVE QUARTER | |
|----------------------------------|--|--|---|
| | CURRENT YEAR QUARTER 31/12/1999 RM'000 | CURRENT YEAR TO DATE 31/12/1999 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31/12/1998 RM'000 |
| (a) Current | 303 | 643 | - |
| (b) Associated companies | - | 54 | - |
| (c) Overprovision in prior years | (300) | (286) | (28) |
| | <u>(83)</u> | <u>311</u> | <u>(28)</u> |

The effective tax rate of the Group is lower than the statutory tax rate due mainly to the utilisation of carryforward tax losses.

5. PRE-ACQUISITION PROFITS

Pre-acquisition profits have been eliminated in arriving at the consolidated results of the Group.

6. PROFIT ON SALE OF INVESTMENTS AND/OR PROPERTIES

There was no material gain or loss on disposal of investments or properties other than in the ordinary course of business.

7. QUOTED SECURITIES

There were no purchase or disposal of quoted securities for the quarter under review.

The Group's investments in quoted securities as at end of the reporting period are as follows :-

| | RM'000 |
|-------------------|-----------|
| At costs | <u>42</u> |
| At net book value | <u>42</u> |
| At market value | <u>34</u> |

8. CHANGES IN THE COMPOSITION OF THE GROUP

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

POSIM BERHAD (82056-X)

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S.M.

Secretary

28 FEB 2000

16. **SEGMENTAL INFORMATION**

Financial information by industry segment is as follows :

| | Turnover RM'000 | Profit Before Taxation RM'000 | Assets Employed RM'000 |
|--------------------------------------|--------------------|-------------------------------------|------------------------------|
| Timber extraction and pulp and paper | 272,596 | 42,349 | 1,880,014 |
| Building materials and consumables | 37,609 | 2,186 | 122,693 |
| Others | 15,147 | (23) | 36,164 |
| | <u>325,352</u> | <u>44,512</u> | <u>1,018,871</u> |

Information on the Group's operations by geographical segments has not been provided as the Group operated principally in Malaysia.

17. **COMPARISON WITH THE PRECEDING QUARTER'S RESULTS**

The Group recorded a lower turnover and profit for the quarter under review as compared to the preceding quarter ended 30 September 1999. The decrease was mainly due to lower extraction and sales volume of commercial logs caused by the rainy season during the quarter.

18. **REVIEW OF PERFORMANCE**

The Group continued to report a commendable results with a profit before taxation of RM44.5 million on a turnover of RM325.4 million for the six (6) months ended 31 December 1999. Timber extraction and pulp and paper division is the main contributor to the Group's profit due to better pricing and demand for its products.

19. **PROSPECTS**

Barring unforeseen circumstances, the Directors expect the operating performance of the Group to continue to improve.

20. **VARIANCE OF ACTUAL RESULTS FROM FORECASTED PROFIT AND SHORTFALL IN PROFIT GUARANTEE**

This note is not applicable for the second quarterly report issued.

21. **DIVIDEND**

No interim dividend has been recommended for the quarter under review.

POSIM BERHAD (82056-X)

B.P.M.

Secretary

28 FEB 2000