

PRIME UTILITIES BERHAD (Company No. 225290-A)
FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 30 APRIL 2006

THE SUMMARY OF KEY INFORMATION
30/4/2006

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT YEAR QUARTER 30/4/2006 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/4/2005 UNAUDITED RM'000	CURRENT YEAR TO DATE 30/4/2006 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/4/2005 AUDITED RM'000
1 Revenue	6,710	2,347	39,282	30,001
2 Profit/(loss) before tax	(9,419)	(3,976)	3,244	(5,789)
3 Profit/(loss) after tax and Minority interest	(4,757)	(1,721)	(839)	(1,890)
4 Net Profit/(loss) for the period	(8,726)	(4,434)	(2,780)	(7,656)
5 Basic earnings per shares (sen)	(7.93)	(2.87)	(1.40)	(3.15)
6 Dividend per share (sen)	0	0	0	0
			AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets per share (exclude minority interest) attributable to ordinary equity holders of the parent (RM)			3.78	3.79

ADDITIONAL INFORMATION
30/4/2006

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT YEAR QUARTER 30/4/2006 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/4/2005 UNAUDITED RM'000	CURRENT YEAR TO DATE 30/4/2006 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/4/2005 AUDITED RM'000
1 Profit/(loss) from operations	(4,201)	(2,883)	17,974	(1,250)
2 Gross interest income	1,707	1,707	7,001	6,997
3 Gross interest expense	5,218	1,093	14,730	4,539

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CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT 30/4/2006 UNAUDITED RM'000	AS AT 30/4/2005 AUDITED RM'000
NON-CURRENT ASSETS		
Plant and equipment	537	130
Land & development expenditure	563,916	561,836
Fixed deposits with financial institutions	720	703
	<u>565,173</u>	<u>562,669</u>
CURRENT ASSETS		
Land & development cost	79,321	91,420
Trade receivables	2,887	33
Other receivables	2,706	478
Placement with an investment management account	117,997	119,997
Cash and bank balances	54	70
	<u>202,965</u>	<u>211,998</u>
CURRENT LIABILITIES		
Trade payable	-	-
Other payable	213,633	192,701
Short term borrowings	121,089	83,840
Provision for taxation	17,719	11,458
	<u>352,441</u>	<u>287,999</u>
NET CURRENT (LIABILITIES)/ASSETS	(149,476)	(76,001)
	<u>415,697</u>	<u>486,668</u>
FINANCED BY		
Share Capital	60,000	60,000
Share premium	418,447	418,447
Accumulated Profit/(Loss)	(267,235)	(266,394)
Reserve on consolidation	15,550	15,550
Minority interests	70,199	72,140
Shareholders' equity	<u>296,961</u>	<u>299,743</u>
NON-CURRENT LIABILITIES		
Long term borrowings	-	3,750
Other long term liabilities	-	64,200
Deferred taxation	118,736	118,975
	<u>415,697</u>	<u>486,668</u>
Net assets per share (exclude minority interest) attributable to ordinary equity holders of the parent (RM)	3.78	3.79

As per MASB 26 (Interim Financial Reporting), the net tangible asset per share as at current quarter is RM3.78 and RM3.79 as at 30 April 2005.

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited Financial Statements of the Group for the financial year ended 30 April 2005.)

PRIME UTILITIES BERHAD (Company No. 225290-A)
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CONDENSED CONSOLIDATED INCOME STATEMENT

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT YEAR QUARTER 30/4/2006 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/4/2005 UNAUDITED RM'000	CURRENT YEAR TO DATE 30/4/2006 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/4/2005 AUDITED RM'000
Revenue	6,710	2,347	39,282	30,001
Other operating income	144	204	156	616
Land and development cost	(9,893)	(5,177)	(18,864)	(28,041)
Staff costs	(248)	(107)	(801)	(1,535)
Depreciation	(27)	(43)	(129)	(753)
Other operating expenses	(887)	(107)	(1,670)	(1,538)
Profit/(loss) from operations	(4,201)	(2,883)	17,974	(1,250)
Interest expenses	(5,218)	(1,093)	(14,730)	(4,539)
Profit/(loss) before taxation	(9,419)	(3,976)	3,244	(5,789)
Taxation	693	(458)	(6,024)	(1,867)
Net profit/(loss) for the period	(8,726)	(4,434)	(2,780)	(7,656)
Attributable to equity holders of the parent	(4,757)	(1,721)	(839)	(1,890)
Minority interest	(3,969)	(2,713)	(1,941)	(5,766)
	(8,726)	(4,434)	(2,780)	(7,656)
Earnings per share:				
i) Basic	(7.93) sen	(2.87) sen	(1.40) sen	(3.15) sen
ii) Fully diluted	(7.93) sen	(2.87) sen	(1.40) sen	(3.15) sen

(The Condensed Consolidated Income Statement should be read in conjunction with the audited Financial Statements for the financial year ended 30 April 2005.)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year to Date 30/4/2006 Unaudited RM'000	Preceding Year Corresponding Quarter 30/4/2005 Audited RM'000
Cash flow from operating activities		
Profit/(loss) before taxation	3,242	(5,789)
Adjustment for non-cash and non-operating items	(5,973)	(2,378)
Operating profit/(loss) before working capital changes	<u>(2,731)</u>	<u>(8,167)</u>
Changes in working capital	(38,289)	30,787
Cash flow generated from operating activities	<u>(41,020)</u>	<u>22,620</u>
Cash flow from/(used in) investing activities	8,446	(431)
Cash flow from/(used in) financing activities	<u>32,558</u>	<u>(25,371)</u>
Net change in cash & cash equivalents	(16)	(3,182)
Cash & cash equivalents at beginning of period	<u>70</u>	<u>(3,252)</u>
Cash & cash equivalents at end of period	<u><u>54</u></u>	<u><u>70</u></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited Financial Statements of the Group for the financial year ended 30 April 2005.)

PRIME UTILITIES BERHAD (Company No. 225290-A)
FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 30 APRIL 2006

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

← Non-distributable →

	Share capital RM'000	Reserve on Consolidation RM'000	Share premium RM'000	Accumulated losses RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
Change in equity as at 1/5/2004	60,000	15,550	418,447	(264,504)	229,493	77,906	307,399
Net profit/(loss) for the period	-	-	-	(1,890)	(1,890)	(5,766)	(7,656)
As at 30 April, 2005	<u>60,000</u>	<u>15,550</u>	<u>418,447</u>	<u>(226,394)</u>	<u>227,603</u>	<u>72,140</u>	<u>299,743</u>
Change in equity as at 1/5/2005	60,000	15,550	418,447	(226,394)	227,603	72,140	299,743
Net profit/(loss) for the period	-	-	-	(839)	(839)	(1,941)	(2,780)
As at 30 April, 2006	<u>60,000</u>	<u>15,550</u>	<u>418,447</u>	<u>(267,233)</u>	<u>226,764</u>	<u>70,199</u>	<u>296,963</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements of the Group for the financial year ended 30 April 2005.)

A) EXPLANATORY NOTES OF FINANCIAL REPORTING STANDARD

1. Accounting Policies

The financial report is unaudited and has been prepared in accordance with Financial Reporting Standard and Appendix 9B, of the Bursa Malaysia Listing Requirements.

The financial report should be read in conjunction with the audited Financial Statements of the Group for the financial year ended 30 April 2005.

The accounting policies and methods of computation adopted by the Group in the financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 30 April 2005.

2. Declaration of Audit Qualification

The Group financial statements for the financial year ended 30 April 2005 was reported without any qualification by the Auditors.

3. Seasonal or Cyclical Factors

The Group's operations are not significantly affected by any seasonal or cyclical factors.

4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash flow

There were no unusual material items affecting assets, liabilities, equity, net income or cash flow of the Group for the current quarter financial statement under review.

5. Material Changes in Estimates of Amounts Reported

There were no significant changes in estimates of amounts for the quarter ended 30 April 2006.

6. Debt and Equity Securities

There have been no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter. Except 2 warrants being exercised and converted into 2 ordinary shares on the expiry of 30,000,000 warrants on 11 March 2006.

7. Dividend Paid

No dividend has been paid in the forth quarter ended 30 April 2006 as no dividend had been proposed in the previous financial year ended 30 April 2005.

8. Segmental Reporting

The segmental analysis of the Group for the financial year ended 30 April 2006 is as follows:-

<u>Analysis by activities</u>	Revenue RM'000	Profit/(Loss) before taxation RM'000	Total assets employed RM'000
Property development	32,281	15,360	229,570
Others	7,001	(12,116)	538,568
	<u>39,282</u>	<u>3,244</u>	<u>768,138</u>

Approximately 82% of the Group revenue was contributed by the subsidiary, Supreme Annexe Sdn Bhd.

The financial information by geographical location is not presented as the Group's activities are conducted in Malaysia.

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9. Valuation of Property, Plant and Equipment

The valuation of Property, Plant and Equipment have been brought forward without amendments from the previous annual financial statements.

10. Material Subsequent Events

There were no material subsequent events as at the date of this announcement.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial quarter.

12. Contingent Liabilities

The contingent liabilities of the Group as at 21/6/2006 are as follows:-

	<u>As at</u> <u>21/6/2006</u> <u>RM'000</u>	<u>As at</u> <u>14/3/2006</u> <u>RM'000</u>	<u>Change</u> <u>RM'000</u>
a) Guarantees given:-			
By Company	188,026	192,613	(4,587)
By Subsidiaries	7,000	7,100	(100)
	<u>195,026</u>	<u>199,713</u>	<u>(4,687)</u>

As at 21/6/2006, RM181 million of the guaranteed amount has been utilized.

B) EXPLANATORY NOTES TO THE BURSA MALAYSIA LISTING REQUIREMENTS

1. Review of Performance of the Company and its Principal Subsidiaries

The Group recorded a pretax loss of RM9.4 million on revenue of RM6.7 million during the current quarter. The Group's result was derived from interest income and property development.

2. Material Changes In The Quarterly Results Compared To Preceding Quarter

The Group recorded a revenue of RM6.7 million and loss before tax of RM9.4 million as compared to a revenue of RM1.9 million and loss before tax of RM3.6 million achieved in the preceding quarter.

The loss before tax of RM9.4 million is basically due to both losses on project and interest provision on borrowings / other long term liabilities.

3. Current Year's Prospects

The Group's result in next financial quarter is not expected to be materially different from the current quarter. The Company is continuously taking necessary steps to improve the financial position of the Group.

4. Profit Forecast / Profit Guarantee

Not applicable as the Company did not issue any profit forecast/guarantee.

5. Taxation

	Current Quarter 30 April 2006 RM'000	Current Year To Date 30 April 2006 RM'000
- Current Taxation	(758)	5,785
- Amortisation of deferred taxation	65	239
	<u>(693)</u>	<u>6,024</u>

The effective tax rate for the current quarter and financial year-to-date is higher than the statutory rate of tax applicable mainly due to the absence of Group relief for losses suffered by subsidiary companies as well as the non-deductibility of certain expenses in respect of the holding company.

6. Corporate Proposals

There were no corporate proposals for the current financial period under review.

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7. Group Borrowings and Debts Securities

The Group's borrowings are as follows:

	As at 30 April 2006 RM'000
Short-term borrowing	
Secured loan from financial institutions	71,090
Unsecured loan from third party	50,000
	<u>121,090</u>

All the borrowings are denominated in Ringgit Malaysia.

8. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this announcement.

9. Material Litigation

There was no material litigation as at the date of this announcement.

10. Dividend

The Board of Directors does not recommend any dividend payment for the financial period under review.

11. Earnings per Share ("EPS")

	Current quarter ended 30 April 2006	Preceding year corresponding quarter ended 30 April 2005
Net profit/(loss) attributable to equity holder of parent (RM)	(4,757,000)	(1,721,000)
Number of ordinary share issued	60,000,002	60,000,000
Basic EPS (sen)	(7.93)	(2.87)
Fully diluted EPS (sen)	(7.93)	(2.87)

A total of 30,000,000 warrants at the subscription price of RM27 per share had expired on 11 March 2006. A total of 2 warrants were exercised and converted into 2 ordinary shares.

12. Placement with an Investment Management Account (“IMA”)

The IMA was opened with a foreign assets management company (“FAMC”) with authorisation for the FAMC to make discretionary investments in Malaysia. The FAMC acquired 70% equity interest in a property based group (“PBG”). The PBG owns nineteen (19) parcels of development land valued on 28 September 2001 by a firm of professional valuers to be approximately RM400million. The FAMC has guaranteed, upon notice of withdrawal or termination, to repay the principal amount placed together with the guaranteed return of 5% per annum either via the transfer of assets or the proceeds from disposal of the property based investment, under the IMA.

During the financial year, the FAMC has not settled the interest accrued as at 30 April 2005 amounting to RM11,997,000.

The Company via a letter dated 5 July 2005, has demanded from the FAMC to refund immediately on the capital sum of RM108,000,000 together with the interest accrued amounting to RM11,997,000.

Subsequently, FAMC via a letter to auditor dated 19 September 2005 confirmed that the investment has been disposed and the sale proceeds are expected to be received by FAMC before the end of December 2005. Immediately thereafter, FAMC will refund the capital sum and penalty interest as well as the guaranteed return to the Company by the end of December 2005.

During the second quarter, the FAMC has settled with interest payment of RM9,000,000 to the Company. The accrued outstanding interest as at 30 April 2006 is RM9,997,000.

At the date of this announcement, FAMC has yet to repay the principal sum plus the accrued outstanding interest. The Company has initiated legal action to recover.

By Order of The Board
Poon Wai Mei (MAICSA 7003673)

Dated : 21 June 2006