

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED MAY 2019

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER (31-05-2019) RM'000	PRECEDING YEAR CORRESPONDING QUARTER (31-05-2018) RM'000	CURRENT YEAR TODATE (31-05-2019) RM'000	PRECEDING YEAR CORRESPONDING PERIOD (31-05-2018) RM'000
Revenue	41,267	19,896	212,628	82,317
Operating expenses	(37,601)	(21,352)	(199,228)	(76,674)
Other operating income	138	2,163	448	2,979
Profit from operations	3,805	707	13,848	8,622
Finance costs	(2,487)	(1,440)	(6,750)	(3,976)
Profit/(Loss) after finance cost	1,318	(733)	7,099	4,646
Share of results of an associate	(1)	(2)	(6)	(5)
Share of results of a joint venture	(13)	(11)	(10)	(26)
Profit/(Loss) before taxation	1,304	(746)	7,082	4,615
Taxation	(3,011)	(5,673)	(6,801)	(6,827)
(Loss)/Profit for the period	(1,707)	(6,419)	282	(2,212)
Other comprehensive (loss)/income, net of tax item that may be reclassified subsequently to profit or loss				
Fair value adjustment on available-for-sale financial assets	1	(5)	(3)	(3)
Total comprehensive (loss)/income	(1,706)	(6,424)	278	(2,215)
(Loss)/Profit attributable to:				
Owners of the Company	(2,166)	(6,811)	1,650	(1,546)
Non-controlling interests	459	392	(1,368)	(666)
	(1,707)	(6,419)	282	(2,212)
Total comprehensive (loss)/profit attributable to:				
Owners of the Company	(2,167)	(6,816)	1,646	(1,549)
Non-controlling interests	459	392	(1,368)	(666)
	(1,708)	(6,424)	278	(2,215)
(Loss)/Profit per share attributable to owners of the Company:-				
Basic(sen)	(1.28)	(6.77)	0.97	(1.54)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 August 2018 and the accompanying explanatory notes attached.)

PLB ENGINEERING BERHAD
(Company Number : 418224 - X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2019

(The figures have not been audited)

	UNAUDITED AS AT END OF CURRENT QUARTER 31-05-2019 RM'000	RESTATED AUDITED AS AT PRECEDING FINANCIAL YEAR END 31-08-2018 RM'000
ASSETS		
<u>Non-Current assets</u>		
Property, plant and equipment	154,916	141,542
Investment properties	23,724	23,724
Investment in an associate	4,461	4,467
Investment in a joint venture	686	696
Inventories	51,336	51,318
Other investments	4	8
Deferred tax assets	-	624
	<u>235,127</u>	<u>222,379</u>
<u>Current assets</u>		
Inventories	242,648	217,247
Contract assets	79	910
Trade receivables	53,744	22,936
Other receivables, deposits and prepayments	15,627	15,498
Tax recoverable	3,631	2,473
Fixed deposits with licensed banks	13,279	12,802
Cash and bank balances	1,702	2,858
	<u>330,709</u>	<u>274,724</u>
TOTAL ASSETS	<u><u>565,836</u></u>	<u><u>497,103</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owner of the Company		
Share Capital	112,395	112,395
Reserves	39,490	37,844
Shareholders' fund	151,885	150,239
Non-controlling interests	(9,198)	(6,930)
Total equity	<u>142,687</u>	<u>143,309</u>
<u>Non-current liabilities</u>		
Bank borrowings	194,962	113,063
Deferred tax liabilities	724	-
	<u>195,686</u>	<u>113,063</u>
<u>Current liabilities</u>		
Contract liabilities	10,657	5,396
Trade payables	45,398	37,544
Other payables and accruals	51,903	77,881
Bank borrowings	115,810	118,201
Provision for taxation	3,695	1,709
	<u>227,464</u>	<u>240,731</u>
Total liabilities	<u>423,150</u>	<u>353,794</u>
TOTAL EQUITY AND LIABILITIES	<u><u>565,836</u></u>	<u><u>497,103</u></u>
Net tangible assets per share (RM)	1.35	1.44

(The Condensed Consolidated of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 August 2018 and the accompanying explanatory notes attached.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MAY 2019

(The figures have not been audited)

	←----- Attributable to owners of the Company -----→						Non-controlling Interest	Total Equity	
	Share Capital	Treasury Shares	Non-Distributable		Distributable				
			Treasury Shares Transaction Reserve	Fair Value Adjustment Reserve	Retained Profits/ (Accumulated Losses)	Total			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
9 months period end 31 May 2019									
Balance at 1 September 2018	112,395	-	-	-	37,844	150,239	(6,930)	143,309	
Total comprehensive profit/(loss) for the period	-	-	-	(4)	1,650	1,646	(1,368)	278	
Transactions with owners:									
Dividend to non-controlling interest of a subsidiaries							(900)	(900)	
Total transaction with owners	-	-	-	-	-	-	(900)	(900)	
Balance at 31 May 2019	112,395	-	-	(4)	39,494	151,885	(9,198)	142,687	
9 months period end 31 May 2019									
Balance at 1 September 2018	107,233	(10,508)	-	-	30,737	127,462	(4,716)	122,746	
Total comprehensive loss for the period	-	-	-	(3)	(1,546)	(1,549)	(666)	(2,215)	
Transactions with owners:									
Issuance of bonus issue *	5,162	-	-	-	(5,162)	-	-	-	
Resale of treasury shares	-	8,407	5,442	-	-	13,849	-	13,849	
Non-conrolling interest on acquisition of equity interest of subsidiary	-	-	-	-	-	-	400	400	
Total transactions with owners	5,162	8,407	5,442	-	(5,162)	13,849	400	14,249	
Balance at 31 May 2018	112,395	(2,101)	5,442	(3)	24,029	139,762	(4,982)	134,780	

* The bonus issue was satisfy via capitalising the share premium account and retained profits of RM15,951,063 and RM5,162,288 respectively.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 August 2018 and the accompanying explanatory notes attached.)

PLB ENGINEERING BERHAD
(Company Number : 418224 - X)

(Indirect method)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MAY 2019

(The figures have not been audited)

	9 months ended 31-05-2019 RM'000	9 months ended 31-05-2018 RM'000
Cash Flows From Operating Activities		
Profit before taxation	7,082	4,615
Adjustment for :-		
Non-cash items - operating	5,042	3,003
Non-operating items - investing	(316)	(578)
Non-operating items - financing	6,750	3,976
Operating profit before working capital changes	<u>18,559</u>	<u>11,016</u>
Net Change in current assets	(55,386)	(26,194)
Net Change in current liabilities	(12,863)	33,616
Cash (used in)/provided from operations	<u>(49,690)</u>	<u>18,438</u>
Interest income	331	609
Interest paid	(6,750)	(3,976)
Income tax paid	(4,780)	(5,962)
Income tax refunded	156	186
Cash (used in)/provided from operating activities	<u>(60,732)</u>	<u>9,295</u>
Cash Flows From Investing Activities		
Land held for development	(18)	(28)
Placement of fixed deposits	(478)	(3,357)
Purchase of property, plant & equipment	(18,094)	(47,889)
Net cash used in investing activities	<u>(18,589)</u>	<u>(51,274)</u>
Cash Flows From Financing Activities		
Dividend paid to non-controlling interest of a subsidiary	(900)	-
Drawdown from bank borrowings	74,383	6,898
Proceeds from issue of shares to non-controlling interest of a subsidiary	-	400
Proceeds from disposal of treasury shares	-	13,846
Net cash provided from financing activities	<u>73,483</u>	<u>21,143</u>
Net decrease in Cash	<u>(5,838)</u>	<u>(20,836)</u>
Cash And Cash Equivalents At Beginning	<u>(17,336)</u>	<u>(3,292)</u>
Cash And Cash Equivalents At End	<u>(23,174)</u>	<u>(24,128)</u>

Notes :

Cash and cash equivalents consists of net cash and bank balances and overdraft utilised.

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 August 2018 and the accompanying explanatory notes attached.)

Quarterly report on consolidated results for the period ended 31 May 2019

A NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for year ended 31 August 2018. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 August 2018.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the financial statements for the year ended 31 August 2018 except for the adoption of the applicable new and revised FRSS and IC Interpretations which were mandatory for the financial periods beginning on or after 1 September 2018.

Malaysian Financial Reporting Standards Framework

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual period beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (“Transitioning Entities”).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 August 2019.

MFRS Standards, Amendments to Published Standards and Interpretations

MFRS 9 Financial Instruments

MFRS 9 Financial Instruments replaces *MFRS 139 Financial Instruments: Recognition and Measurement* and all previous versions of MFRS 9. MFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January

Quarterly report on consolidated results for the period ended 31 May 2019

2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Group plans to adopt the new standard on the required effective date and will not restate comparative information.

(i) Classification and measurement of financial assets and financial liabilities

Quoted investments currently classified as available-for-sale (“AFS”) financial assets

Under MFRS 9, the Group will have to reclassify its AFS financial assets to fair value through profit or loss as it does not meet the contractual cash flow characteristics condition for measurement at AFS however the Group does not expect a significant impact to its financial statements due to immateriality of the AFS financial assets.

Loans and receivables

The Group will continue to measure its other financial assets and liabilities currently classified under loans and receivables and are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest will continue to be carried at amortised cost under MFRS 9.

(i) Impairment

MFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. MFRS 9 replaces the incurred loss model in MFRS 139 with a forward looking “expected credit loss model”. The Group has performed an assessment and expects to apply the simplified approach and record lifetime expected losses on all its trade receivables using a provision matrix based on historical observed default rates which are adjusted for forward-looking estimates established.

The Group is in the progress of tabulating the provision matrix and it is expected that additional provision for impairment loss will be recognised upon adoption of MFRS 9.

MFRS 15 Revenue from Contracts with Customers

The new revenue standard will supersede all current revenue recognition requirements under MFRS. MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled for transferring goods or services to a customer.

(a) Accounting for separate performance obligation arising from sale of properties

The application of MFRS 15 resulted in the identification of various separate performance obligations which previously had been bundled as a sale of property. The performance obligation is separate if the performance obligation is capable of being distinct and if they are

Quarterly report on consolidated results for the period ended 31 May 2019

distinct within the context of the contract. Among the performance obligations to be identified separately in a sale of property agreement are the property, white goods, common facilities, legal and stamp duties paid on behalf of house buyers etc. Revenue will have to be allocated to the respective identified performance obligations and recognised when controls in relation to the performance obligations have been transferred. The timing of revenue recognition could be affected going forward.

(a) Timing of recognition for the sales of properties

Revenue from the property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Control of the asset may transfer over time or at a point in time. For properties sold in accordance with the Housing Development (Control and Licensing) Act 1966 (“HDA”), control of the asset is transferred over time as the Group’s performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue from sale of properties under HDA without a secured financing arrangement is recognised when it is probable that the Group will collect the consideration of the sale of the property to which it is entitled. For sale of properties not governed under HDA, the recognition of revenue is assessed on a contract by contract basis, to establish the Group’s enforceable right to payment for performance completed to date.

(a) Classification of land held for property development and property development costs

Upon withdrawal of *FRS 201 Property Development Activities*, land held for property development and property development costs will be reclassified as inventories as these assets are in the process of production for sale. These inventories will be carried at the lower of cost or net realisable value.

(b) Presentation of contract assets and contract liabilities in the statement of financial position

MFRS 15 requires separate presentation of contract assets and contract liabilities in the statement of financial position which will result in some reclassification on certain balance sheet items as of 1 September 2018. In the case of construction contracts, contract assets is the excess of cumulative revenue earned over cumulative billings to-date and contract liabilities is the obligation to transfer goods or services to the customers for which the Group has received the consideration or has billed the customers.

The financial impact to the interim financial statements of the Group arising from the adoption of *MFRS 15* are shown below: -

Quarterly report on consolidated results for the period ended 31 May 2019

Basis of Preparation

Statement Of Comprehensive Income For The Financial Year Ended 31 August 2018

	As previously stated RM'000	Adoption of MFRS 15 RM'000	As Restated RM'000
Revenue	101,828	(635)	101,193
Operating expenses	(101,469)	635	(100,834)
Gross profit	359	-	359
Other operating income	6,569		6,569
Profit from operation	6,928	-	6,928
Finance costs	(5,655)		(5,655)
Profit after finance cost	1,273	-	1,273
Share of results of associates	375		375
Share of results of a joint venture	(35)		(35)
Profit before taxation	1,613	-	1,613
Taxation	(6,146)		(6,146)
Loss for the financial year	(4,533)	-	(4,533)
Other comprehensive (loss)/income, net of tax item that will be reclassified subsequently to profit or loss:			
Fair value adjustment on available-for- sale financial assets	(1)		(1)
Total comprehensive loss for the financial year	(4,534)	-	(4,534)

Quarterly report on consolidated results for the period ended 31 May 2019

Basis of Preparation

Statement Of Comprehensive Income For The Financial Year Ended 31 August 2018(continued)

	As previously stated RM'000	Adoption of MFRS 15 RM'000	As Restated RM'000
Loss attributable to:			
Owners of the Company	(2,116)		(2,116)
Non-controlling interests	(2,417)		(2,417)
	<u>(4,533)</u>		<u>(4,533)</u>
Total comprehensive loss attributable to:			
Owners of the Company	(2,117)		(2,117)
Non-controlling interests	(2,417)		(2,417)
	<u>(4,534)</u>		<u>(4,534)</u>
Basic loss per share attributable to owners of the Company (sen)	<u>(2.03)</u>		<u>(2.03)</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Quarterly report on consolidated results for the period ended 31 May 2019

Basis of Preparation

Consolidated Statement Of Financial Position

As At 31 August 2018

	As previously stated RM'000	Adoption of MFRS 15 RM'000	As Restated RM'000
ASSETS			
<u>Non-Current assets</u>			
Property, plant and equipment	141,542		141,542
Investment properties	23,724		23,724
Investment in an associate	4,467		4,467
Investment in a joint venture	696		696
Land held for development	51,318	(51,318)	-
Inventories	-	51,318	51,318
Other investments	8		8
Deferred tax assets	624		624
	222,379	-	222,379
<u>Current assets</u>			
Inventories	44,556	172,691	217,247
Contract assets	-	910	910
Property development costs	172,691	(172,691)	-
Gross amount due from customers on contracts	910	(910)	-
Trade receivables	22,936		22,936
Other receivables, deposits and prepayments	15,498		15,498
Tax recoverable	2,473		2,473
Fixed deposits with licensed banks	12,802		12,802
Cash and bank balances	2,858		2,858
	274,724	-	274,724
TOTAL ASSETS	497,103	-	497,103
EQUITY AND LIABILITIES			
Equity attributable to owner of the Company			
Profit for the period	112,395		112,395
Reserves	37,844		37,844
Treasury shares	-		-
Shareholders' fund	150,239	-	150,239
Non-controlling interests	(6,930)		(6,930)
Total equity	143,309	-	143,309

Quarterly report on consolidated results for the period ended 31 May 2019

Basis of Preparation

Consolidated Statement Of Financial Position (continued)

As At 31 August 2018

	As previously stated RM'000	Adoption of MFRS 15 RM'000	As Restated RM'000
<u>Non-current liabilities</u>			
Bank borrowings	113,063		113,063
	<u>113,063</u>	<u>-</u>	<u>113,063</u>
<u>Current liabilities</u>			
Gross amount due to customers on contracts	5,396	(5,396)	-
Contract liabilities	-	5,396	5,396
Trade payables	37,544		37,544
Other payables and accruals	77,881		77,881
Bank borrowings	118,201		118,201
Provision for taxation	1,709		1,709
	<u>240,731</u>	<u>-</u>	<u>240,731</u>
Total liabilities	<u>353,794</u>	<u>-</u>	<u>353,794</u>
TOTAL EQUITY AND LIABILITIES	<u>497,103</u>	<u>-</u>	<u>497,103</u>

The adoption of these amendments and IC interpretations did not have any material impact on the interim financial report of the Group.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Quarterly report on consolidated results for the period ended 31 May 2019

A2. Audit qualification

There was no qualification on the report of the auditors on the annual financial statements of the Company for the immediate preceding financial year.

A3. Seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factors during the financial period under review apart from unfavorable weather conditions, increase in cost of construction materials or festival seasons.

A4. Item of unusual nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group that are unusual due to their nature, size or incidence for the financial period under review.

A5. Changes in estimates

There were no significant changes in the estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

A6. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the financial period under review.

A7. Dividends paid

There was no dividend proposed during the quarter under review.

Quarterly report on consolidated results for the period ended 31 May 2019

A8. Segmental analysis

Current period ended 31 May 2019	Investment Holding	Trading	Property Letting	Construction	Property Development	Waste Management	Renewable Energy	Others (Note 2)	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External sales	-	5,787	459	144,118	41,684	12,692	7,321	567	-	212,628
Inter-segment sales	5,258	14,804	398	6,195	30,445	-	-	59	(57,159)	-
Total revenue	5,258	20,591	857	150,313	72,129	12,692	7,321	626	(57,159)	212,628
Segment results	36	233	530	7,452	1,448	(3,794)	1,760	-	5,735	13,400
Unallocated income (Note 1)										448
Profit from operations										13,848
Finance costs										(6,750)
Share of result of an Associate										(6)
Share of result of a joint venture										(10)
Profit before taxation										7,082

Note:

1. Unallocated income mainly represents fixed deposit interest income, insurance claim, scrap sales, rental of building & machinery, land, factory and leasing of palm tree.
2. Other segment represents sales from brick making and advisory services.

Quarterly report on consolidated results for the period ended 31 May 2019

	Investment Holding	Trading	Property Letting	Construction	Property Development	Waste Management	Renewable Energy	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
Assets										
Segment assets	1,635	5,765	16,951	88,921	269,169	55,118	104,017	500		542,076
Investment in an associate	605	-	-	-	3,856	-	-	-		4,461
Investment in a Joint venture	-	-	-	-	686	-	-	-		686
Tax recoverable	436	-	-	198	2,914	83	-	-		3,631
Fixed deposits with licensed banks	-	-	-	1,587	7,982	-	3,710	-		13,279
Cash and bank balances	121	-	4	5,132	(4,718)	1,102	60	1		1,702
Total assets	2,798	5,765	16,955	95,838	279,889	56,303	107,787	501		565,836
Liabilities										
Segment liabilities	331	11,697	157	70,191	17,481	6,086	2,011	4	-	107,958
Borrowings	-	3,717	-	59,315	154,027	8,713	85,000	-	-	310,772
Provision for taxation	53	-	14	2,966	153	509	-	-	-	3,695
Deferred tax liabilities	-	-	10	649	65	-	-	-	-	724
Total liabilities	384	15,415	181	133,121	171,726	15,308	87,011	4	-	423,150

Quarterly report on consolidated results for the period ended 31 May 2019

Current period ended 31 May 2018	Investment Holding	Trading	Property Letting	Construction	Property Development	Waste Management	Renewable Energy	Others (Note 4)	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External sales	-	2,803	404	41,777	20,716	16,388	-	229	-	82,317
Inter-segment sales	2,786	7,967	399	30,186	-	-	-	4	(41,342)	-
Total revenue	<u>2,786</u>	<u>10,770</u>	<u>803</u>	<u>71,963</u>	<u>20,716</u>	<u>16,388</u>	<u>-</u>	<u>233</u>	<u>(41,342)</u>	<u>82,317</u>
Segment results	(200)	323	358	3,626	4,306	438	(821)	(102)	(2,285)	5,643
Unallocated income (Note 3)										<u>2,979</u>
Profit from operations										8,622
Finance costs										(3,976)
Share of result of an Associate										(5)
Share of result of a joint venture										(26)
Profit before taxation										<u><u>4,615</u></u>

Note:

3. Unallocated income mainly represents fixed deposit interest income, scrap sales, insurance claim, rental of building, land, factory & leasing of palm tree.
4. Other segment represents sales from brick making and advisory services.

Quarterly report on consolidated results for the period ended 31 May 2019

	Investment Holding	Trading	Property Letting	Construction	Property Development	Waste Management	Renewable Energy	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
Assets										
Segment assets	1,418	2,146	9,715	65,581	223,919	60,108	44,521	741		408,150
Investment in an associate	235	-	-	-	3,856	-	-	-		4,090
Investment in a Joint venture	-	-	-	-	706	-	-	-		706
Tax recoverable	596	-	5	637	799	-	-	-		2,038
Fixed deposits with licensed banks	-	-	-	1,539	7,549	-	3,570	-		12,658
Cash and bank balances	4	-	13	2,590	2,076	204	41	2		4,930
Deferred tax assets	-	-	-	-	320	-	-	-		320
Total assets	2,253	2,146	9,733	70,347	239,225	60,312	48,132	743		432,892
Liabilities										
Segment liabilities	357	8,779	156	52,819	17,634	6,899	15,109	2		101,755
Borrowings	-	2,599	-	56,423	100,843	13,237	21,204	-		194,306
Provision for taxation	-	-	21	1,600	-	430	-	-		2,051
Total liabilities	357	11,378	177	110,842	118,477	20,566	36,313	2		298,112

Quarterly report on consolidated results for the period ended 31 May 2019

A9. Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A10. Subsequent material event

There were no material events subsequent to the reporting period up to 23 July 2019 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) that have been reflected in the financial statements for the quarter under review.

A11. Change in composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to-date.

A12. Contingent liabilities

	Company
	As at 31/05/19 RM'000
Unsecured:	
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries	312,116
Corporate guarantees issued to financial institutions for banker guarantee facilities granted to certain subsidiaries for contract bond in favour of third parties	11,596
Performance guarantees issued to third parties for performance by certain subsidiaries	1,186

A13. Capital commitments

Capital expenditure not provided for in the financial statements is as follows:

	As at 31/05/2019 RM'000
Property, plant and equipment	
- Contracted	28,496
Development land	
- Contracted	<u>261</u>
	<u>28,757</u>

Quarterly report on consolidated results for the period ended 31 May 2019

A14. Related party transactions

The Group's related party transaction in the current financial year to date are as follows:-

	As at 31/05/2019
	RM'000
Purchase of construction materials from related party	
- Hoon Teik Enterprise Sdn. Bhd.	1,134
Progress billing from related party	
- KH Base Engineering Sdn Bhd	14,512
Sales of Construction materials to related party	
- KH Base Engineering Sdn Bhd	5,427
Brokerage fees paid to a related party	
- Northern Guide Properties Sdn Bhd	1,146
	<hr/>

Related party	Relationship
Hoon Teik Enterprise Sdn. Bhd.	: A company in which certain directors of the Company, have substantial financial interests.
KH-Base Engineering Sdn. Bhd.	: A company in which persons connected to certain directors of the Company, have substantial financial interests.
Northern Guide Properties Sdn. Bhd.	: A company in which a director of a subsidiary, has substantial financial interests

Quarterly report on consolidated results for the period ended 31 May 2019

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

	Current Year To date 31.05.2019 RM'000	Preceding Year Corresponding Period 31.05.2018 RM'000
Revenue	212,628	82,317
Consolidated profit before taxation	7,082	4,615

For the period ended 31 May 2019, the Group recorded revenue of RM212.63 million and profit before tax of RM7.08 million compared to revenue of RM82.32 million and profit before tax of RM4.62 million respectively in the preceding year corresponding period.

The Group recorded higher revenue and profit before taxation for the current year to date compared to preceding year corresponding period. This is mainly due to contribution from construction and property development sector.

B2. Variation of results against immediate preceding quarter

	Current Quarter 31.05.2019 RM'000	Preceding Quarter 28.02.2019 RM'000
Revenue	41,267	110,728
Consolidated profit before taxation	1,304	4,237

The Group recorded lower revenue and profit before taxation for the current quarter is due to lower stage of completion for construction and property development projects for the current quarter compared to preceding quarter.

Quarterly report on consolidated results for the period ended 31 May 2019

B3. Prospects

The Group shall focus on and develop its major business segments which are construction, property development and waste management.

For Construction segment, the Group shall continue with the construction projects located at Kapar-Selangor, Bukit Minyak-Prai and Penang Island which is expected to contribute to the Group turnover for year 2019.

For Property Development segment the group shall continue with the development of its 100% affordable houses development scheme at Paya Terubong on Penang Island which is currently recorded unbilled sales of RM156 million.

The progress for Phase 3 Pulau Burung Landfill site is in progress now whereas the operation of solar farm had commenced on 30 November 2018 and had since started generating electricity.

B4. Comparison with profit forecast

Not applicable.

B5. Notes to the statement of comprehensive income

	Current Quarter 31/05/2019 RM'000	Cumulative Quarter 31/05/2019 RM'000
Profit for the period is arrived at after (crediting)/charging:		
-Interest income	(95)	(331)
-Interest expense	2,487	6,750
-Depreciation and amortization	2,290	5,158
-Provision of impairment loss on trade receivables	405	470
-Provision for and write off of property, plant & equipment	-	2

Quarterly report on consolidated results for the period ended 31 May 2019

B6. Tax expense

	Current Quarter 31/05/2019 RM'000	Cumulative Quarter 31/05/2019 RM'000
Malaysian income tax: Based on results for the period		
- Current taxation	619	(2,810)
- Deferred taxation	(987)	884
	<u>(368)</u>	<u>(1,926)</u>
Over/(under) provision in prior years		
- Current taxation	(2,643)	(2,643)
- Deferred taxation	-	(2,232)
	<u>(3,011)</u>	<u>(6,801)</u>

The effective tax rate of the Group for the cumulative quarter-to-date is higher than the statutory income tax rate. This is due to unabsorbed tax losses and tax allowances brought forward are not available to set off against taxable profits of other subsidiaries and certain expenses which are not deductible for tax purpose.

B7. Sale of unquoted investments and properties

There was no sale of unquoted investments and/or properties outside the ordinary course of the Group's business for the current quarter and financial year-to-date.

B8. Quoted securities

(a) There were no purchases or disposals of quoted securities for the current financial quarter and year-to-date.

(b) Investments in quoted securities as at 31 May 2019 were as follows: -

	RM'000
Share quoted in Malaysia:-	
Balance at 01/09/2018	7
Fair value adjustment	(3)
Balance at 31/05/2019	<u>4</u>
At Market Value of quoted shares in Malaysia	<u>4</u>

Quarterly report on consolidated results for the period ended 31 May 2019

B9. Status of corporate proposals

There was no corporate proposal announced but not completed as at the date of this announcement save for the following: -

On 18 April 2018, Affin Hwang Investment Bank Berhad (“Affin Hwang IB”) on behalf of the Board of Directors (“Board”) announced that PLB Engineering Berhad (“PLB”) proposes to undertake a private placement of up to 11,239,500 new ordinary shares in PLB to independent third party investor(s) to be identified (“Proposed Private Placement”).

On 20 April 2018, Affin Hwang IB had, on behalf of the Board announced that PLB have submitted the additional listing application to Bursa Malaysia Securities Berhad (“Bursa Securities”) in relation to the Proposed Private Placement.

On 25 April 2018, Affin Hwang IB had, on behalf of the Board announced that Bursa Securities had, vide its letter dated 24 April 2018, approved the listing of and quotation for up to 11,239,500 Placement Shares to be issued pursuant to the Proposed Private Placement subject to the following conditions:

(i) PLB and Affin Hwang IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;

(ii) PLB and Affin Hwang IB to inform Bursa Securities upon the completion of the Proposed Private Placement; and

(iii) PLB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Private Placement is completed.

On 10 October 2018, Affin Hwang IB had, on behalf of the Board announced that an application for an extension of time of 6 months up to 23 April 2019 to complete the implementation of the Private Placement has been submitted to Bursa Securities.

On 16 October 2018, Affin Hwang IB had, on behalf of the Board announced that Bursa Securities had, approved the extension of time of 6 months up to 23 April 2019 to complete the implementation of the Private Placement.

On 23 April 2019, Affin Hwang IB had, on behalf of the Board announced that the deadline for the Company to complete the implementation of the Proposed Private Placement has been lapsed on 23 April 2019 and there were no new PLB Shares were issued/placed out pursuant to the Proposed Private Placement.

Quarterly report on consolidated results for the period ended 31 May 2019

B10. Group borrowings and debt securities

As at 31/05/2019	Foreign Currency USD'000	Group 31/05/19 RM'000	Secured 31/05/19 RM'000	Unsecured 31/05/19 RM'000	S/Term 31/05/19 RM'000	L/Term 31/05/19 RM'000
Banker's acceptance	N/A	52,215	52,215	-	52,215	-
Invoice financing	N/A	297	297	-	297	-
Bank overdraft	N/A	24,876	24,876	-	24,876	-
Hire purchases	N/A	789	789	-	125	664
Revolving credits	N/A	16,900	-	16,900	16,900	-
Term loans	N/A	152,235	152,235	-	21,397	130,838
Term loan *	16,300	63,460	63,460	-	-	63,460
Total	16,300	310,772	293,872	16,900	115,810	194,962

As at 31/05/2018	Foreign Currency USD'000	Group 31/05/18 RM'000	Secured 31/05/18 RM'000	Unsecured 31/05/18 RM'000	S/Term 31/05/18 RM'000	L/Term 31/05/18 RM'000
Banker's acceptance	N/A	42,308	42,308	-	42,308	-
Invoice financing	N/A	802	802	-	802	-
Bank overdraft	N/A	29,058	29,058	-	29,058	-
Hire purchases	N/A	498	498	-	179	319
Revolving credits	N/A	21,953	-	21,953	21,953	-
Term loans	N/A	99,686	99,686	-	21,354	78,332
Total	N/A	194,305	172,352	21,953	115,654	78,651

Note:

* - Converted at exchange rate of 4.135 as at 31 May 2019.

Quarterly report on consolidated results for the period ended 31 May 2019

B11. Derivative financial instruments

The Group does not have any financial instruments with off-balance sheet risk as at 31 May 2019.

B12. Realised and unrealised profit/(loss) disclosure

The retained profits of the Group as at 31 May 2019 and 31 August 2018 are analyzed as follows:

	As at 31/05/2019 RM'000	As at 31/08/2018 (Audited) RM'000
Total retained profits of the Company and its subsidiaries:		
-Realised	68,993	60,674
-Unrealised	(1,599)	(1,611)
	67,393	59,063
Total share of retained profits from associates:		
-Realised	(9)	372
	67,384	59,435
Total share of retained profits from jointly controlled entities:		
-Realised	17,475	17,415
	84,859	76,850
Less: Consolidation adjustments	(45,365)	(45,209)
Total retained profits as per Consolidated Statement of Financial Position	39,494	31,641

B13. Changes in material litigation

During the financial quarter ended 31 May 2019, there were no material litigation that have been announced by the Company

B14. Dividend

No interim dividend has been declared by the Board for the financial quarter ended 31 May 2019.

Quarterly report on consolidated results for the period ended 31 May 2019

B15. (Loss)/earnings per share

Basic (loss)/earnings per share

The basic (loss)/earnings per share of the Group is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the financial period.

	Individual quarter		Cumulative quarter	
	Current year quarter 31/05/19 RM'000	Preceding year corresponding 31/05/18 RM'000	Current year to date 31/05/19 RM'000	Preceding year corresponding 31/05/18 RM'000
Net (loss)/earnings attributable to owners of the parent	(2,166)	(6,811)	1,650	(1,546)
Basic (loss)/earnings per share				
Weighted average number of ordinary shares	112,395	100,609*	112,395	100,609*
Basic (loss)/earnings per ordinary shares (sen)	<u>(1.28)</u>	<u>(6.77)</u>	<u>0.97</u>	<u>(1.54)</u>

Diluted (loss)/earnings per ordinary share

There is no diluted (loss)/earnings per share as the Company does not have any convertible financial instruments as at the end of the current quarter and financial period-to-date.

Note *In accordance with the Malaysian Financial Reporting Standard MFRS 133-Earning Per Share, the effect of bonus issues on the computation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. Therefore, the number of ordinary shares has been adjusted for the bonus issue of one (1) bonus share for every four (4) existing shares in the Company which was completed on 23 November 2017.

B16. Authorisation for issue

These financial statements were authorised for issue by the Board of Directors of the Group.

Date : 31 July 2019