

PJI HOLDINGS BERHAD (499758-W)
INTERIM FINANCIAL STATEMENTS
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2011

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR CORRESPONDING PERIOD
		31/12/2011 RM '000	31/12/2010 RM '000	31/12/2011 RM '000	31/12/2010 RM '000
Revenue	A9	19,713	16,866	33,676	32,668
Cost of sales		(17,269)	(15,029)	(29,431)	(29,011)
Gross profit		2,444	1,837	4,245	3,657
Interest income		73	19	113	33
Other income		3	1,434	10	1,476
Administrative expenses		(1,303)	(2,090)	(2,644)	(3,657)
Loss on disposal of investment property and PPE		(4)	-	(4)	-
Depreciation of property, plant and equipment and investment properties		(160)	(212)	(324)	(421)
Provision for doubtful debts		(215)	(593)	(215)	(593)
Bad debts written off		(40)	-	(40)	-
Other expenses		(221)	(270)	(267)	(408)
Finance costs		(115)	(450)	(228)	(1,123)
Share of (loss)/profit of associated companies		-	(72)	-	(72)
Profit / (Loss) before taxation		462	(397)	646	(1,108)
Taxation	B5	(15)	(58)	(15)	(58)
Profit / (Loss) for the period		447	(455)	631	(1,166)
Other comprehensive income / (expense)		-	-	-	-
Total comprehensive income / (expense) for the period		447	(455)	631	(1,166)
Earnings / (Loss) attributable to:					
Owners of the company		447	(455)	631	(1,166)
Total comprehensive income / (expense) attributable to:					
Owners of the company		447	(455)	631	(1,166)
Earnings / (Loss) per share attributable to equity holders of the company					
Basic (sen)	B13	0.07	(0.11)	0.10	(0.29)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2011.

PJI HOLDINGS BERHAD (499758-W)

INTERIM FINANCIAL STATEMENTS

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	AS AT 31/12/2011 (Unaudited) RM '000	AS AT 30/06/2011 (Audited) RM '000
Non-Current Assets		
Property, plant and equipment	2,147	2,671
Investment properties	242	244
Land held for property development	4,000	4,000
Other investments	1	1
Investment in associate companies	1,167	1,167
	<u>7,557</u>	<u>8,083</u>
Current Assets		
Inventories	655	783
Trade receivables	3,974	11,388
Retention sum	14,819	10,619
Amount due from customer for contract works	35,240	19,830
Other receivables, deposits and prepayments	13,704	12,097
Amount owing by associate companies	5,201	5,201
Tax recoverable	147	153
Deposits with licensed banks	7,093	8,855
Cash and bank balances	1,642	507
	<u>82,475</u>	<u>69,433</u>
TOTAL ASSETS	<u>90,032</u>	<u>77,516</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	54,473	54,473
Reserves		
Translation reserves	203	203
Warrant reserve	8,070	8,070
Accumulated losses	(29,506)	(30,137)
Total Equity	<u>33,240</u>	<u>32,609</u>
Non-Current Liabilities		
Long term borrowings	1,348	3,246
Hire purchase payables	368	185
Deferred taxation	-	-
	<u>1,716</u>	<u>3,431</u>
Current Liabilities		
Trade payables	22,342	23,713
Amount due to customer for contract works	0	31
Other payables and accruals	19,411	13,017
Hire purchase payables	66	47
Short term borrowings	10,467	3,786
Bank overdrafts	2,695	787
Provision for taxation	95	95
	<u>55,076</u>	<u>41,476</u>
Total Liabilities	<u>56,792</u>	<u>44,907</u>
TOTAL EQUITY AND LIABILITIES	<u>90,032</u>	<u>77,516</u>
Net assets per share attributable to ordinary equity holders of the company (RM)	0.0546 **	0.0535 **

** The total issued and paid up share capital is 609,069,997 ordinary shares of RM 0.10 each.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2011.

PJI HOLDINGS BERHAD (499758-W)

INTERIM FINANCIAL STATEMENTS

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 DECEMBER 2011

	Attributable to Equity Holders of the Parent				Distributable Reserve	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Foreign Exchange Reserves RM'000		
Balance as at 1 July 2011	54,473	-	8,070	203	(30,137)	32,609
Realisation of revaluation reserves	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	-	-	-	-
Profit for the year	-	-	-	-	631	631
Total comprehensive income/(expense) for the period	-	-	-	-	631	631
Balance as at 31 DECEMBER 2011	54,473	-	8,070	203	(29,506)	33,240
Balance as at 1 July 2010	81,209	-	-	85	4,116	22,826
Realisation of revaluation reserves	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	-	(116)	-	(116)
Loss for the year	-	-	-	-	(1,166)	(1,166)
Total comprehensive income/(expense) for the period	-	-	-	(116)	(1,166)	(1,282)
Balance as at 31 DECEMBER 2010	81,209	-	-	(31)	4,116	21,544

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2011.

PJI HOLDINGS BERHAD (499758-W)

INTERIM FINANCIAL STATEMENTS

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED
31 DECEMBER 2011**

	6 months ended 31/12/2011 RM'000	6 months ended 31/12/2010 RM'000
Cash Flows From Operating Activities		
Profit / (Loss) before tax	646	(1,108)
Adjustments for :-		
Depreciation of property, plant and equipment and investment properties	324	421
Loss on disposal of investment property and PPE	4	-
Share of results of associates companies		72
Net financing costs	229	1,090
Other non-cash items	(117)	-
Other non-operating items		(1,693)
Operating profit/(loss) before changes in working capital	<u>1,086</u>	<u>(1,217)</u>
Changes in working capital		
Net Changes in current assets	(13,669)	13,810
Net Changes in current liabilities	4,992	(15,740)
Cash generated from/(used in) operations	<u>(7,591)</u>	<u>(3,147)</u>
Tax paid	(6)	-
Net cash generated from/(used in) operating activities	<u>(7,597)</u>	<u>(3,147)</u>
Cash Flows From Investing Activities		
Proceeds from disposal of investment properties and PPE	440	-
Interest from deposit with licensed banks received	114	-
Rental income received	3	-
Purchase of property, plant and equipment	(243)	-
Other investment		5,344
Net cash generated from/(used in) investing activities	<u>314</u>	<u>5,344</u>
Cash Flows For Financing Activities		
Interest paid	(229)	(1,123)
Repayment of hire purchase payables	(34)	(54)
Drawdown/(Repayment) of term loans	6,334	(2,344)
Drawdown/(Repayment) of other borrowings	(1,323)	1,539
Net cash generated from/(used in) financing activities	<u>4,748</u>	<u>(1,982)</u>
Net increase/(decrease) in cash and cash equivalents	(2,535)	215
Cash and cash equivalents as at beginning of period	8,575	(2,371)
Effect of changes in exchange rate	-	(188)
Cash and cash equivalents as at period ended	<u><u>6,040</u></u>	<u><u>(2,344)</u></u>
 Cash and cash equivalents as at period ended comprise the following:		
Cash and bank balances	1,642	1,153
Short term deposits with licensed banks	3,093	-
Pledged of fixed deposits with licensed banks	4,000	-
Bank overdrafts	(2,695)	(3,497)
	<u><u>6,040</u></u>	<u><u>(2,344)</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2011.

PJI HOLDINGS BERHAD (499758-W)
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2011

A1. Basis of Preparation

The interim financial statements are unaudited and has been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2011. These explanatory notes attached to the quarterly condensed financial report 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 30 June 2011.

A2. Changes in Accounting Policies

The Group has not applied the following new/revised accounting standards, amendments, and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

FRS 124	Related Parties Disclosures (revised)
IC Interpretation 15	Agreements for the Construction of Real Estate

The Group and the Company plan to apply the abovementioned standards, amendments and interpretation from the annual period beginning 1st July, 2012.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which required extended disclosures is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The initial application of a standard, an amendment or an interpretation, which will be applied retrospectively are not expected to have any material impact on the Group's and Company's financial statements.

Following the announcement by the MASB on 1 August 2008, the Group's and the Company' financial statements will be prepared in accordance with International Financial Reporting Standards (IFRS) framework for annual periods beginning on 1 July 2012. The change of the financial reporting framework is not expected to have any significant impact on the financial position and financial performance of the Group and the Company.

A3. Qualification of Audit Report of the Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the year ended 30 June 2011 was not subject to any audit qualification.

A4. Seasonal or Cyclical Factors

There has been no material seasonal or cyclical factors affecting the results of the quarter under review.

A5. Nature and amount of unusual items

There were no unusual items in the quarterly financial statements under review.

A6. Changes in Accounting Estimates

There were no changes in estimates of amounts reported that have a material effect in the current financial quarter.

A7. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale nor repayments of debts and equity securities, share buy-backs for the current financial period-to-date.

A8. Dividends Paid

There were no dividends paid during the current quarter and financial year to date.

A9. Segmental Reporting

The Group is principally confined to construction of buildings, provision of electrical and mechanical engineering services and maintenance works. Accordingly, information by operating segment on Group's operations as required by FRS 8 is not presented.

The Group's operations are operated solely in Malaysia. Accordingly, geographical segmental information has not been prepared.

Major customers

During the quarter, revenue from single customer contributing to more than 10% of the Group revenue amounted to RM18,351,721.

A10. Valuation of Property, Plant and Equipment

There were no changes in the valuation on property, plant and equipment since the last annual financial statements.

A11. Material Events Subsequent to the Balance Sheet Date

There is no material events that occurred subsequent to the current quarter.

A12. Changes in the Composition of the Group

PJI Investments Ltd (Co no.LL04576), which is a dormant and wholly-owned subsidiary of the Company has been struck off from the register of Labuan Financial Services Authority on 20 December 2011 pursuant to Section 93(2C) of the Labuan Companies Act 1990. Prior to the striking off, PJI Investments Ltd has on 19 December 2011 transferred its entire investment in PJI Overseas Ltd (IBC No.376718) to the Company. Following the striking off and transfer, PJI Investments Ltd has ceased to be the subsidiary of the Company and PJI Overseas Ltd became a direct wholly-owned subsidiary of the Company.

A13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in other contingent liabilities or contingent assets since the last annual Statement of Financial Position as at 30 June 2011.

A14. Capital Commitments

The are no outstanding capital commitments at the end of current quarter under review.

ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS**B1. Review of Performance**

For the second quarter ended 31 December 2011, the Group recorded profit after tax for the period of RM0.45 mil on revenue of RM19.71 mil compared to a loss after tax for the period of RM0.46 mil on revenue of RM16.87 mil registered in the corresponding period last year.

For the financial period ended 31 December 2011, the Group recorded a profit after tax of RM 0.63 mil on revenue of RM 33.68 mil compared to a loss after tax of RM 1.17 mil on revenue of RM 32.67 mil registered in the corresponding period last year. The improvement in results were mainly due to better margins.

The gross margin of current quarter under review has improved to 12.4% from 10.9% as compared to the corresponding period last year. The year to-date gross profit margin has also improved to 12.6% from 11.2% as compared to the corresponding period last year. The increased in profit margin was mainly due to the progress completion of new projects generated higher profit margin.

B2. Comparison with Preceding Quarter

The Group recorded a revenue of RM 19.71 mil and profit after tax for the period of RM 0.45 mil for the current quarter under review compared to preceding quarter's revenue of RM 13.96 mil and profit after tax for the period of RM 0.18 mil.

Comparatively, the Group's revenue has increased by 41% it was due to higher rate of workdone of project in the current quarter under review. Profit after tax has significantly improved during current quarter under review with an increased of 142% resulting from better margins of the projects secured.

B3. Current Year Prospects

The Company continues to focus on its core mechanical & electrical business and actively participates tenders in the construction & property, power & water related, oil & gas and transportation sectors.

The announcement of the 2012 Budget and the continuous implementation of the Economic Transformation Project, 10th Malaysia Plan initiatives by the Government have continued to generate abundant of potentials and a need of mechanical & electrical services in various sectors.

B4. Profit Forecast / Profit Guarantee

Not applicable as no profit forecast was announced for the current financial year.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current 31/12/2011 RM'000	Preceding 31/12/2010 RM'000	Current 31/12/2011 RM'000	Preceding 31/12/2010 RM'000
Tax expense for the year	15	58	15	58
Deferred taxation	-	-	-	-
Over / (Under) provision in prior year				
Income Tax	-	-	-	-
Deferred Tax	-	-	-	-
	15	58	15	58

B6. Profit/Loss on Sale of Unquoted Investments and / or Properties

There was no sale of unquoted investments and properties of the Group for the current quarter under review and financial year to-date.

B7. Purchases or Disposals of Quoted Securities

(a) There were no purchases and disposals of quoted securities for the current quarter under review.

(b) Investment in quoted securities as at 31 December 2011 :-

	<u>RM'000</u>
(i) At costs	1
(ii) At carrying value/book value (after impairment loss)	0
(iii) At market value	0

B8. Status of Utilization of Proceeds raised from Rights Issue

The proposed and actual utilization (as of 31 January 2012) of RM 22,332,566 proceeds raised from the Rights Issue of 203,023,332 PJI Rights Shares ("RS") of RM 0.10 each at an issue price of RM 0.11, which completed on 31 March, 2011, is given as follows:-

<u>Utilisation</u>	<u>Proposed Utilisation</u> RM '000	<u>Actual</u> <u>Utilisation</u> RM '000	<u>Deviation</u> RM '000	(As at 31	<u>Timeframe of utilisation</u> <u>of proceeds</u>
				January, 2012)	
				<u>Balance</u> RM '000	
Working capital	17,366	17,316	50	-	Within 12 months from listing of the RS
Repayment of bank borrowings	4,467	4,467	-	-	Within 12 months from listing of the RS
Rights Issue Expenses	500	550	(50) (Note 1)	-	Within 3 months from listing of the RS
TOTAL	22,333	22,333	-	-	

Note 1 :

The deviation in the defrayment of expenses in relation to the Par Value Reduction and Rights Issue was mainly resulting from the underestimation of fees paid to Bursa Malaysia Securities Berhad, Bursa Malaysia Depository Sdn Bhd and share registrar. The shortfall was paid from the working capital.

B9. Group's Borrowings and Debt Securities

Total Group's borrowings as at 31 December 2011 are as follows :

	<u>Short Term</u> <u>RM'000</u>	<u>Long Term</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Secured	13,228	1,716	14,944
Unsecured	-	-	-
Total Group's borrowings	13,228	1,716	14,944

B10. Off Balance Sheet Financial Instruments

During the financial year to date, the Group did not enter into any contracts involving off balance sheet financial instruments.

B11. Changes in Material Litigation

As at the date of this announcement, the pending material litigations of the Group, since the last annual balance sheet date, consist of the following :-

- i) **Chin Aun Enterprise Sdn Bhd ("CAESB") vs P.J. Indah Sdn Bhd ("PJISB")**
CAESB is having a dispute with PJISB in relation to the Sarikei Hospital project in Sarawak over final contract sum and brought a Summary Judgment proceeding to claim PJISB a sum of RM711,262.47 for alleged additional works performed . PJISB has successfully reversed the Summary Judgment granted earlier in its appeal to High Court on 23 April 2008. Dates for full trial have been fixed from 12 March 2012 to 16 March 2012.
- ii) **Kejuruteraan Letrik Sunray Sdn Bhd ("KLSSB") vs PJISB**
PJISB has on 18 September 2007 received a Shah Alam High Court Writ of Summons No. 22-1395-2007 from Kejuruteraan Letrik Sunray Sdn Bhd ("KLSSB") filed through their solicitors Messrs. Jasbeer, Nur & Lee, in connection with the subcontract works for the "Universiti Teknologi Petronas Development, Package 302 in Bandar Seri Iskandar, Tronoh, Perak Darul Ridzuan Project" ; which has been terminated by PJISB due to poor performance of KLSSB. KLSSB's claim in total is RM1,258,569.00 including alleged damages. Shah Alam High Court has fixed the date for mention on 28 February 2012.

- iii) **P.J. Indah Sdn Bhd ("PJISB") vs Plaza Rakyat Sdn Bhd ("PRSB")**
 PRSB terminated the main contract due to funding problem. PJISB is disputing the validity of termination as well as counter-claiming for outstanding payment for works performed of approximately RM 3mil. Court allowed stay of proceeding on 23 March 2007 and case to be referred arbitration. PJISB has yet to initiate the arbitral proceeding.
- iv) **ADP Teknologi Sdn Bhd ("ADP") and PJISB vs Puncak Niaga (M) Sdn Bhd ("PNMSB")**
 ADP and PJISB was an unincorporated joint venture ("JV") entity that has been awarded with a contract by PNMSB for project known as "Pembinaan Loji/Kolam Takungan dan Paip Utama Telibong and Telipok, Sabah" in August 2004.
 PNMSB has terminated the contract of the JV in 26 December 2007 due to some contractual disputes. ADP and PJISB are now jointly pursuing against PNMSB by way of arbitration for the termination which in the JV's opinion is wrongful.
 The JV is claiming a total sum of RM10,080,201.31 for work done and owed by PNMSB in which PJISB's portion is RM4,988,409.00. Arbitration hearing completed on 4 November 2010 and the Arbitrator is deliberating on the Final Award.
- v) **P.J Indah (Sabah) Sdn Bhd (formerly known as Trans Africa Railway Corporation Sdn Bhd ("PJI Sabah")) vs Sithru**
 By a letter dated 6th August 2003, PJI Sabah has agreed to advance a sum of RM1,005,000.00 to Sithru whom are responsible to secure a project known as "Second Railway Track between Khartoum and Port Sudan". The Managing Director of Sithru, Thiru has given a personal guarantee to PJI Sabah to undertake the repayment up to RM800,000.00 of such advance should Sithru fail to return the advance to PJI Sabah in the event the contract is not secured.
 Sithru failed to secure the contract within the stipulated period and settled the advance to PJI Sabah. PJI Sabah served letter of demand to Thiru for RM800,000.00 as a guarantor and Thiru to date only managed to pay PJI Sabah a sum of RM180,666.00 .
 PJI Sabah has filed a Kuala Lumpur High Court Writ of Summons No. D-22-869-2008 on 29 May 2008 for the sum of RM824,334.00 owed by Sithru and RM624,334.00 owed by Thiru as guarantor respectively. Summary judgment granted in favour of PJI Sabah on 31 March 2010.
 PJI Sabah has reached settlement with Thiru upon receipt of RM 200,000.00 on 12 January 2012 and subject to a final part payment to be received in July 2012.

B12. Dividends

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

B13. Earning Per Share

(i) Basic earnings/(loss) per share

The calculation of basic earnings per share for the financial period is based on the net (loss)/profit attributable to equity holders of the parent company and divided by the number of ordinary shares outstanding during the financial period.

	CURRENT YEAR QUARTER ENDED 31/12/2011	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/12/2010	CURRENT YEAR TODATE ENDED 31/12/2011	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/12/2010
Profit / (Loss)attributable to equity holders of the parent company (RM'000)	447	(455)	631	(1,166)
Number of ordinary shares ('000)	609,070	406,047	609,070	406,047
Basic earnings / (loss) per share (sen)	0.07	(0.11)	0.10	(0.29)

(ii) Diluted earnings per share

The fully diluted earnings per ordinary share is the same as the basic earnings per share as the effect of anti-dilutive potential ordinary shares is ignored in accordance with FRS 133 on Earnings Per Share

B14. Corporate Guarantee

Up to the quarter under review, the Group's total amount of Corporate Guarantees issued in favour to the Principal Financial Institution and Suppliers had increased by RM 12.98 mil to RM 67.48 mil as compared to RM 54.50 mil in the last Quarter.

B15. Realised and Unrealised Profits/Losses Disclosure

Breakdown of unappropriated profit/(accumulated losses) into realised and unrealised profits or losses

	AS AT 31/12/2011 (Unaudited) RM '000	AS AT 30/06/2011 (Audited) RM '000
Realised	631	(12,274)
Unrealised	-	-
Total	631	(12,274)

**BY ORDER OF THE BOARD
PJI HOLDINGS BERHAD**

**MR LIM CHONG LING
MANAGING DIRECTOR**

Shah Alam, Selangor Darul Ehsan
31 January 2012