

QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

|  | Note  | INDIVIDUAL QUARTER                                      |  | CUMULATIVE QUARTER                                      |   |
|--|-------|---|--|---|---|
|  |       | (Unaudited)<br>Current<br>Year<br>Quarter<br>31.03.2019 | (Audited)<br>Preceding<br>Year<br>Corresponding<br>Quarter<br>31.03.2018 | (Unaudited)<br>Current<br>Year<br>To Date<br>31.03.2019 | (Audited)<br>Preceding<br>Year<br>To Date<br>31.03.2018 |
|  |       | RM'000  | RM'000   | RM'000  | RM'000  |
| Revenue  | 9     | 29,591  | 15,626   | 45,426  | N/A   |
| Cost of sales  |       | (26,645)  | (12,206)   | (36,322)  | N/A   |
| Gross profit   |       | 2,946   | 3,420  | 9,104   | N/A   |
| Other operating income   |       | 131   | 66   | 912   | N/A   |
| Operating expenses   |       | (1,848)   | (1,680)  | (6,165)   | N/A   |
| Finance costs  |       | (500)   | (521)  | (1,750)   | N/A   |
| Profit before taxation   | 9, 20 | 729   | 1,285  | 2,101   | N/A   |
| Taxation   | 21    | (328)   | (363)  | (772)   | N/A   |
| Net profit for the period  |       | 401   | 922  | 1,329   | N/A   |
| Other comprehensive income/(expense):-                             |       |   |  |   |   |
| Items that will be reclassified subsequently to profit or loss:    |       |   |  |   |   |
| Foreign currency translation                                       |       | (30)  | (262)  | 1,884   | N/A   |
| Total comprehensive income   |       | 371   | 660  | 3,213   | N/A   |
| Net profit/(loss) attributable to:-                                |       |   |  |   |   |
| Equity holders of the Company                                      |       | 426   | 1,005  | 755   | N/A   |
| Non-controlling interests  |       | (25)  | (83)   | 574   | N/A   |
|  |       | 401   | 922  | 1,329   | N/A   |
| Total comprehensive income/(expense) attributable to:-             |       |   |  |   |   |
| Equity holders of the Company                                      |       | 386   | 753  | 2,529   | N/A   |
| Non-controlling interests  |       | (15)  | (93)   | 684   | N/A   |
|  |       | 371   | 660  | 3,213   | N/A   |
| Earnings per share attributable to equity holders of the Company:- |       |   |  |   |   |
| Basic earnings per share (sen)                                     | 25(a) | 0.12  | 0.29   | 0.22  | N/A   |
| Diluted earnings per share (sen)                                   | 25(b) | 0.11  | 0.26   | 0.20  | N/A   |

In 2018, the Company changed its financial year ended from 31 December 2017 to 30 June 2018 and made up its financial statements for 18 months period ended 30 June 2018. Therefore, there are no comparative figures are disclosed as there are no comparable interim period in the preceding financial year/period.

The Unaudited Condensed Consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements of the Group for the financial period ended 30 June 2018.

The notes set out on pages 5 to 16 form an integral part of the interim financial report.

QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

|   | (Unaudited)<br>At End Of<br>Current<br>Period To Date<br>31.03.2019 | (Audited)<br>At End Of<br>Preceding<br>Financial Period<br>30.06.2018 |
|---|---|---|
| Note  | RM'000  | RM'000  |
| <b>NON CURRENT ASSETS</b>                                       |   |   |
| Property, plant and equipment                                   | 2,996   | 3,158   |
| Land and property development costs                             | 73,630  | 71,428  |
| Intangible assets   | 8,261   | 8,261   |
| Trade receivables - retention sum                               | 7,350   | 6,607   |
|   | <hr/>   | <hr/>   |
| Total Non Current Assets  | 92,237  | 89,454  |
| <b>CURRENT ASSETS</b>   |   |   |
| Inventories   | 845   | 802   |
| Land and property development costs                             | 46,057  | 73,827  |
| Amount owing by customers on contracts                          | 90,746  | 92,649  |
| Trade receivables   | 74,948  | 62,423  |
| Other receivables   | 11,467  | 19,974  |
| Tax recoverable   | 937   | 925   |
| Fixed deposits with license bank                                | 5,696   | 5,837   |
| Cash held under Housing Development Account                     | 303   | 293   |
| Cash and bank balances  | 1,934   | 1,673   |
|   | <hr/>   | <hr/>   |
| Total Current Assets  | 232,933   | 258,403   |
| <b>CURRENT LIABILITIES</b>                                      |   |   |
| Amount owing to customers on contracts                          | 12,128  | 300   |
| Trade payables  | 30,297  | 46,705  |
| Other payables  | 10,771  | 24,890  |
| Hire purchase payables  | 277   | 263   |
| Short term borrowings   | 23 37,975   | 39,144  |
| Short term loans  | 23 15,303   | 3,782   |
| Tax payables  | 762   | 772   |
|   | <hr/>   | <hr/>   |
| Total Current Liabilities                                       | 107,513   | 115,856   |
| <b>NET CURRENT ASSETS</b>                                       |   |   |
|   | <hr/>   | <hr/>   |
|   | 125,420   | 142,547   |
|   | <hr/>   | <hr/>   |
|   | 217,657   | 232,001   |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS<br/>OF THE COMPANY</b> |   |   |
| Share Capital   | 44,885  | 44,885  |
| Reserves  | 152,298   | 149,769   |
|   | <hr/>   | <hr/>   |
|   | 197,183   | 194,654   |
| <b>NON-CONTROLLING INTERESTS</b>                                |   |   |
|   | <hr/>   | <hr/>   |
|   | 2,231   | 1,547   |
| <b>TOTAL EQUITY</b>   |   |   |
|   | <hr/>   | <hr/>   |
|   | 199,414   | 196,201   |
| <b>NON CURRENT LIABILITIES</b>                                  |   |   |
| Trade payables  | 1,120   | 6,573   |
| Hire purchase payables  | 33  | 239   |
| Long term loans   | 23 16,949   | 28,847  |
| Deferred taxation   | 141   | 141   |
|   | <hr/>   | <hr/>   |
| Total Non Current Liabilities                                   | 18,243  | 35,800  |
|   | <hr/>   | <hr/>   |
|   | 217,657   | 232,001   |
| <b>NET ASSETS PER SHARE (RM)</b>                                |   |   |
|   | <hr/>   | <hr/>   |
|   | 0.57  | 0.56  |

The Unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial period ended 30 June 2018.

The notes set out on pages 5 to 16 form an integral part of the interim financial report.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | Attributable to Equity Holders of the Company |                  |                 |                  |                  | Total   | Non-Controlling Interests | Total Equity |
|---|---|------------------|-----------------|------------------|------------------|---------|---------------------------|--------------|
|   | Non - Distributable                           |                  |                 | Distributable    |                  |         |                           |              |
|   | Share Capital                                 | Exchange Reserve | Capital Reserve | Warrants Reserve | Retained Profits |         |                           |              |
| RM'000                                    | RM'000  | RM'000           | RM'000          | RM'000           | RM'000           | RM'000  | RM'000                    |              |
| <b>At End Of Current Period To Date</b>   |   |                  |                 |                  |                  |         |                           |              |
| <b><u>31.03.2019 (Unaudited)</u></b>      |   |                  |                 |                  |                  |         |                           |              |
| At 1 July 2018                            | 44,885  | 7,970            | 58,030          | 24,089           | 59,680           | 194,654 | 1,547                     | 196,201      |
| Net profit for the period                 | -   | -                | -               | -                | 755              | 755     | 574                       | 1,329        |
| Other comprehensive income for the period | -   | 1,774            | -               | -                | -                | 1,774   | 110                       | 1,884        |
| Total comprehensive income for the period | -   | 1,774            | -               | -                | 755              | 2,529   | 684                       | 3,213        |
| At 31 March 2019                          | 44,885  | 9,744            | 58,030          | 24,089           | 60,435           | 197,183 | 2,231                     | 199,414      |

In 2018, the Company changed its financial year ended from 31 December 2017 to 30 June 2018 and made up its financial statements for 18 months period ended 30 June 2018. Therefore, there are no comparative figures are disclosed as there are no comparable interim period in the preceeding financial year/period.

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial period ended 30 June 2018.

The notes set out on pages 5 to 16 form an integral part of the interim financial report.



QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS  
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

|   | (Unaudited)<br>Current Year<br>To Date<br>31.03.2019 | (Audited)<br>Preceding Year<br>To Date<br>31.03.2018 |
|---|--|--|
|   | RM'000   | RM'000   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |  |  |
| Profit before tax   | 2,101  | N/A  |
| Adjustments for:-   |  |  |
| Non-cash items  | 1,629  | N/A  |
| Non-operating items                                       | 842  | N/A  |
| Operating profit before working capital changes           | 4,572  | N/A  |
| Net change in current assets                              | 24,018   | N/A  |
| Net change in current liabilities                         | (20,034)   | N/A  |
| Cash generated from operations                            | 8,556  | N/A  |
| Interest received   | 292  | N/A  |
| Interest paid   | (4,012)  | N/A  |
| Tax paid  | (794)  | N/A  |
| Net cash from operating activities                        | 4,042  | N/A  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               |  |  |
| Addition in land and property development costs           | (2,202)  | N/A  |
| Net cash used in investing activities                     | (2,202)  | N/A  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>               |  |  |
| Repayment of hire purchase payables                       | (193)  | N/A  |
| Drawdown of bank borrowings                               | 2,592  | N/A  |
| Repayment of bank borrowings                              | (2,969)  | N/A  |
| Release of fixed deposits pledged                         | 142  | N/A  |
| Net cash used in financing activities                     | (428)  | N/A  |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>            | 1,412  | N/A  |
| <b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>           | 27   | N/A  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>   | (37,177)   | N/A  |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>         | (35,738)   | N/A  |
| Cash and cash equivalents at the end of period comprise:- |  |  |
| Cash and bank balances                                    | 2,237  | N/A  |
| Fixed deposits with licensed banks                        | 5,696  | N/A  |
| Less: short term borrowings                               | (37,975)   | N/A  |
|   | (30,042)   | N/A  |
| Less: fixed deposits pledged with licensed banks          | (5,696)  | N/A  |
|   | (35,738)   | N/A  |

In 2018, the Company changed its financial year ended from 31 December 2017 to 30 June 2018 and made up its financial statements for 18 months period ended 30 June 2018. Therefore, there are no comparative figures are disclosed as there are no comparable interim period in the preceeding financial year/period.

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial period ended 30 June 2018.

The notes set out on pages 5 to 16 form an integral part of the interim financial report.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2019**

**PART A: EXPLANATORY INFORMATION IN COMPLIANCE WITH FINANCIAL REPORTING STANDARD ("FRS") 134**

**1. BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 "Interim Financial Reporting" and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the annual audited financial statements of the Prinsiptek Corporation Berhad Group ("the Group") for the financial period ended 30 June 2018.

These explanatory information attached to the interim 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 period ended 30 June 2018.

**2. CHANGES IN ACCOUNTING STANDARDS**

The financial statements of the Group for the three months period ended 30 September 2018 are the first set of interim financial statements prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") Framework, hence MFRS 1 First-time Adoption of Malaysian Financial Standards has been applied. The MFRS Framework is effective for the Group from 1 July 2018 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant interim financial report is 1 January 2017.

The significant accounting policies adopted for this interim financial report are consistent with those adopted for the audited financial statements for the financial period ended 30 June 2018 except for the adoption of the MFRS Framework and the adoption of the following amendments to MFRS effective for the financial periods as stated below:-

|                      |  | Effective date for<br>financial periods<br>beginning on or after |
|----------------------|--|--|
| MFRS 9               | Financial Instruments  | 1 January 2018   |
| MFRS 15              | Revenue from Contracts with Customers  | 1 January 2018   |
| Amendments to MFRS 1 | First-time Adoption of Malaysian Financial Reporting Standards (Annual improvements 2014-2016 cycle) | 1 January 2018   |
| Amendments to MFRS 2 | Classification and Measurement of Share-Based Payment Transactions                                   | 1 January 2018   |
| Amendments to MFRS 4 | Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts                                | 1 January 2018   |

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**2. CHANGES IN ACCOUNTING STANDARDS (CONT'D)**

Accounting standards, amendments to accounting standards and interpretations that are applicable for the Group in the following periods but are not yet effective:

|                        |   | <u>Effective date for<br/>financial periods<br/>beginning on or after</u> |
|------------------------|---|---|
| Amendments to MFRS 128 | Investments in Associates and Joint Ventures<br>(Annual improvements 2014-2016 cycle) | 1 January 2018  |
| Amendments to MFRS 140 | Transfers of Investment Property  | 1 January 2018  |
| IC Interpretation 22   | Foreign Currency Transactions and Advance Consideration                               | 1 January 2018  |
| MFRS 16                | Leases  | 1 January 2019  |
| Amendments to MFRS 3   | Business Combination<br>(Annual improvements to 2015-2017 Cycle)                      | 1 January 2019  |
| Amendments to MFRS 11  | Joint Arrangement<br>(Annual improvements to 2015-2017 Cycle)                         | 1 January 2019  |
| Amendments to MFRS 112 | Income taxes<br>(Annual improvements to 2015-2017 Cycle)                              | 1 January 2019  |
| Amendments to MFRS 119 | Employee Benefits<br>(Plan amendment, curtailment or settlement)                      | 1 January 2019  |
| Amendments to MFRS 123 | Borrowing Costs<br>(Annual improvements to 2015-2017 Cycle)                           | 1 January 2019  |
| Amendments to MFRS 9   | Prepayment Features with Negative Compensation  | 1 January 2019  |
| Amendments to MFRS 128 | Long-term Interests in Associates and Joint Ventures                                  | 1 January 2019  |
| IC Interpretation 23   | Uncertainty over Income Tax Treatments  | 1 January 2019  |
| Amendments to MFRS 2   | Share Based Payments  | 1 January 2020  |
| Amendments to MFRS 3   | Business Combinations   | 1 January 2020  |
| Amendments to MFRS 6   | Exploration for and Evaluation of Mineral Resources                                   | 1 January 2020  |
| Amendments to MFRS 14  | Regulatory Deferral Accounts  | 1 January 2020  |

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS  
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|  |   | Effective date for<br>financial periods<br><u>beginning on or after</u>                  |
|--|---|--|
| Amendments to MFRS 101                 | Presentation of Financial Statements  | 1 January 2020   |
| Amendments to MFRS 108                 | Accounting Policies, Changes in<br>Accounting Estimates and Errors                          | 1 January 2020   |
| Amendments to MFRS 134                 | Interim Financial Reporting   | 1 January 2020   |
| Amendments to MFRS 137                 | Provisions, Contingent Liabilities and<br>Contingent Assets                                 | 1 January 2020   |
| Amendments to MFRS 138                 | Intangible Assets   | 1 January 2020   |
| Amendments to IC<br>Interpretation 12  | Service Concession Arrangements   | 1 January 2020   |
| Amendments to IC<br>Interpretation 19  | Extinguishing Financial Liabilities with<br>Equity Instruments                              | 1 January 2020   |
| Amendments to IC<br>Interpretation 20  | Stripping Costs in the Production Phase of<br>a Surface Mine                                | 1 January 2020   |
| Amendments to IC<br>Interpretation 22  | Foreign Currency Transactions and<br>Advance Consideration                                  | 1 January 2020   |
| Amendments to IC<br>interpretation 132 | Intangible Assets – Web Site Costs  | 1 January 2020   |
| MFRS 17                                | Insurance Contracts   | 1 January 2021   |
| Amendments to MFRS 10 and<br>MFRS 128  | Sale or Contribution of Assets between an<br>Investor and its Associate or Joint<br>Venture | Effective date yet to<br>be determined by the<br>Malaysian Accounting<br>Standards Board |

The Group will adopt the above pronouncement when they become effective in the respective financial periods. The impact of the above accounting standards, amendments to accounting standards and interpretations effective during the financial period does not have any significant impact to the financial results and position of the Group except for the adoption of MFRS 9. The Group has assessed the estimated impact and it has been reflected in the financial results under review.

### 3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the preceding audited financial statements of the Group was not subjected to any audit qualifications.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS  
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**4. SEASONAL OR CYCLICAL FACTORS**

The Group's performance during the current year quarter under review and year to date was not affected by unusual seasonal or cyclical fluctuations.

**5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group during the current year quarter under review and year to date.

**6. CHANGES IN ESTIMATES**

There were no material changes in estimates of the amounts reported by the Group in prior financial years which have a material effect in the current year quarter.

**7. DEBT AND EQUITY SECURITIES**

There were no cancellation, repurchases, resale and repayments of debt and equity securities by the Company during the current year quarter under review and year to date.

In addition, none of the outstanding Warrants 2014/2019 were exercised during the current year quarter under review and year to date.

**8. DIVIDEND**

There was no dividend paid during the current year quarter under review and year to date.



**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS  
 FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2019**

**9. SEGMENTAL INFORMATION**

Segmental information for the current year to date is presented in respect of the Group's business segments as follows:-

|                              | <u>Construction</u><br>RM'000 | <u>Property<br/>Development</u><br>RM'000 | <u>Trading<br/>and Others</u><br>RM'000 | <u>Elimination</u><br>RM'000 | <u>Total</u><br>RM'000 |
|------------------------------|-------------------------------|---|---|------------------------------|------------------------|
| <u>Revenue</u>               |                               |   |   |                              |                        |
| External sales               | 32,002                        | 12,081                                    | 1,343                                   | -                            | 45,426                 |
| Inter-segment sales          | 565                           | 1,497                                     | (55)                                    | (2,007)                      | -                      |
| Total revenue                | <u>32,567</u>                 | <u>13,578</u>                             | <u>1,288</u>                            | <u>(2,007)</u>               | <u>45,426</u>          |
| <u>Results</u>               |                               |   |   |                              |                        |
| Segment results              | 2,506                         | 1,184                                     | (747)                                   | -                            | 2,943                  |
| Interest expense             |                               |   |   |                              | (1,750)                |
| Interest income              |                               |   |   |                              | 908                    |
| Total results                |                               |   |   |                              | <u>2,101</u>           |
| <u>Assets</u>                |                               |   |   |                              |                        |
| Segment assets               | 176,484                       | 132,631                                   | 9,422                                   | -                            | 318,537                |
| Unallocated corporate assets |                               |   |   |                              | 6,633                  |
| Total Assets                 |                               |   |   |                              | <u>325,170</u>         |

**10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT**

The Group states its property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses. The Group does not adopt a policy to revalue its property, plant and equipment.

**11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

There were no material subsequent events from the end of the current interim financial period to the date of this report that have not been reflected in this report.

**12. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in composition of the Group during the current year quarter under review and year to date.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS  
 FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2019**

**13. DISCONTINUED OPERATIONS**

There was no discontinued operations event during the current year quarter under review / year to date.

**14. CAPITAL COMMITMENT**

Non-cancellable operating lease commitments are as follows:-

|                                  | <b>Current Year<br/>To Date<br/><u>31.03.2019</u><br/>RM'000</b> | <b>Preceding Period<br/>To Date<br/><u>31.03.2018</u><br/>RM'000</b> |
|----------------------------------|--|--|
| Future minimum rentals payables: |  |  |
| Within one year                  | 72   | 116  |
| Between one and two years        | 42   | 125  |
|                                  | <u>114</u>   | <u>241</u>   |

**15. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

|  | <b>Current Year<br/>To Date<br/><u>31.03.2019</u><br/>RM'000</b> |
|--|--|
| Secured bank guarantees given by the Group in the ordinary course of business to:- |  |
| - trade suppliers  | 1,100  |
| - authorities  | 870  |
| - clients  | 12,730   |
|  | <u>14,700</u>  |

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS  
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**PART B: ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")**

**16. REVIEW OF PERFORMANCE**

For the current year quarter, the Group achieved a total revenue of RM29.59 million, representing an increase of RM13.96 million or 89.32% as compared to RM15.63 million in the preceding year corresponding quarter. This was mainly attributed to the increased in the recognition of final progress billing of the completed projects during the current year quarter.

However, the Group recorded the profit after taxation of RM0.40 million, representing a decrease of RM0.52 million or 56.52% as compared to RM0.92 million in the preceding year corresponding quarter due to a downward revision of the profit margin from the completed projects during the current year quarter.

Following to the change in the previous financial year from 31 December 2017 to 30 June 2018, there were no comparative financial figure available for 9-months financial period ended 31 March 2018.

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

The Group registered a higher revenue of RM29.59 million for the current year quarter as compared to RM8.58 million in the preceding quarter. There was an increase of revenue of RM21.01 million due to the increased in the recognition of progress billing in the Construction Division.

As a result, the profit before taxation was increased to RM0.73 million in the current year quarter as compared to RM0.46 million in the preceding quarter.

**18. PROSPECTS**

With the existing balance order book in the Construction Division, the progressive recognition of sales from the Property Development Division and the potential new construction projects, the Board of Directors is cautious of the sustaining performance of the Group for the coming financial quarter.

The Group will continue to adopt a prudent approach in its investments and focus on its core activities to enhance and strengthen the synergy among its group of companies.

**19. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT AND SHORTFALL IN PROFIT  
GUARANTEE**

The Group did not publish any profit forecast in respect of the current year quarter.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS  
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**20. PROFIT BEFORE TAXATION IS DERIVED AFTER CHARGING/(CREDITING)**

|                                 | <b>Current Year<br/>Quarter<br/><u>31.03.2019</u><br/>RM'000</b> | <b>Current Year<br/>To Date<br/><u>31.03.2019</u><br/>RM'000</b> |
|---------------------------------|--|--|
| Interest income                 | (130)  | (908)  |
| Other income                    | (1)  | (4)  |
| Interest expense                | 500  | 1,750  |
| Depreciation and amortisation   | 50   | 153  |
| Impairment on trade receivables | 486  | 1,606  |

**21. TAXATION**

|                              | <b>Current Year<br/>Quarter<br/><u>31.03.2019</u><br/>RM'000</b> | <b>Current Year<br/>To Date<br/><u>31.03.2019</u><br/>RM'000</b> |
|------------------------------|--|--|
| Malaysia tax in respect of:- |  |  |
| - current results            | 328  | 772  |

The effective tax rate for the Group for the current year quarter and year to date was higher than the statutory tax rate due to certain expenses are not allowable as deduction for tax purpose and no group relief is available with respect to losses incurred by certain companies within the Group.

**22. CORPORATE PROPOSALS - STATUS OF THE CORPORATE PROPOSALS**

There were no corporate proposals announced but not completed as at the date of this report.

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23. GROUP BORROWINGS

|                                 | Current Year<br>To Date<br><u>31.03.2019</u><br>RM'000 | Preceding Period<br>To Date<br><u>31.03.2018</u><br>RM'000 |
|---------------------------------|--|--|
| <u>Secured</u>                  |  |  |
| Bank overdrafts                 | 37,975   | 39,136   |
| Banker's acceptance             | -  | 369  |
| Fixed loan                      | 3,860  | 3,953  |
| Term loan                       | 28,392   | 28,050   |
| Total bank borrowings           | <u>70,227</u>  | <u>71,508</u>  |
| Analyzed as:                    |  |  |
| <u>Secured</u>                  |  |  |
| Short term borrowings and loans | 53,278   | 39,241   |
| Long term loans                 | 16,949   | 32,267   |
|                                 | <u>70,227</u>  | <u>71,508</u>  |

24. MATERIAL LITIGATIONS

Since the last quarter report ended 30 June 2018, the following are the changes:-

In respect of an arbitration filed by Prinsiptek (M) Sdn Bhd ("PST") on 22 May 2014, PST is claimed against Teamforce Builders Sdn Bhd ("Teamforce") for a sum of RM648,526.57 being the advance payment for the construction and completion of structural and architectural works and the supply of labour and materials for the installation of cornice works rendered by Teamforce to PST.

Teamforce has filed the Statement of Defence and Counterclaim for a sum of RM2,547,603.02 for workdone on 25 July 2014.

Teamforce served on PST the Statement Of Re-Amended Defence and Re-Amended Counterclaim where the sum claimed by Teamforce has been revised to RM3,292,792.60. PST's claim against Teamforce has now revised to RM1,412,763.39.

During the hearing on 22 February 2016, the Arbitrator directed both parties that an expert witness will be appointed to measure certain disputed items and the cost of such appointment to be shared equally by parties.

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**24. MATERIAL LITIGATIONS (CONT'D)**

There was a site inspection held on 2 August 2016, for which the Arbitrator and the expert witness have been accompanied by both parties to having a visual inspection on the disputed items. On 12 January 2017, the expert witness was unable to complete his expert report within the time granted thus, the Arbitrator has directed all the parties that there will be a period of 3 months given to the expert witness upon agreeable by both parties. On 15 March 2017, the expert has again failed to deliver the expert report by the extended period and he has requested to withdraw from the appointment of the expert witness. To avoid further prolongation to the conclusion of this Arbitration, the Tribunal has decided to appoint a new expert witness.

On 31 July 2018, the new expert witness has come out with a report and the parties now have been directed by the Tribunal to review the expert report and advise the Tribunal, whether the party(ies) require(s) an examination session with the new expert witness with regard to the content of the report by 16 August 2018.

On 26 February 2019, the Arbitrator and the new expert witness have been accompanied by both parties to cross examined on the content of the report. The matter is now pending another site inspection and further examination to be fixed.

**25. EARNINGS PER SHARE**

a) Basic earnings per share

The basic earnings per share has been calculated by dividing the Group's net profit attributable to the equity holders of the Company for the current year quarter / year to date by the weighted average number of ordinary shares in issue during the current year quarter / year to date under review as follows:-

|   | Individual Quarter                 |  | Cumulative Quarter                 |                                      |
|---|------------------------------------|--|------------------------------------|--------------------------------------|
|   | Current Year Quarter<br>31.03.2019 | Preceding Year Corresponding Quarter<br>31.03.2018 | Current Year To Date<br>31.03.2019 | Preceding Year To Date<br>31.03.2018 |
| Net profit attributable to the equity holders of the Company (RM'000) | 426                                | 1,005  | 755                                | N/A                                  |
| Weighted average number of ordinary shares in issue ('000)            | 348,652                            | 348,652  | 348,652                            | N/A                                  |
| Basic earnings per share (sen)  | 0.12                               | 0.29   | 0.22                               | N/A                                  |

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**25. EARNINGS PER SHARE (CONT'D)**

b) Diluted earnings per share

The diluted earnings per share has been calculated by dividing the Group's net profit attributable to the equity holders of the Company for the current year quarter / year to date by the weighted average number of ordinary shares, after adjusted for the effects of dilutive potential ordinary shares from the assumed full exercise of warrants at the beginning of the financial period of the Company as follows:

|  | Individual Quarter                 |  | Cumulative Quarter                 |                                      |
|--|------------------------------------|--|------------------------------------|--------------------------------------|
|  | Current Year Quarter<br>31.03.2019 | Preceding Year Corresponding Quarter<br>31.03.2018 | Current Year To Date<br>31.03.2019 | Preceding Year To Date<br>31.03.2018 |
| Net profit attributable to the equity holders of the Company (RM'000)            | 426                                | 1,005  | 755                                | N/A                                  |
| Weighted average number of Ordinary shares in issue ('000)                       | 348,652                            | 348,652  | 348,652                            | N/A                                  |
| Adjustment for the assumed full exercise of warrants ('000)                      | 29,258                             | 36,224   | 29,258                             | N/A                                  |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 377,910                            | 384,876  | 377,910                            | N/A                                  |
| Diluted earnings per share (sen)   | 0.11                               | 0.26   | 0.20                               | N/A                                  |



**PRINSIPTEK CORPORATION BERHAD**  
(Company No. 595000-H)  
(Incorporated in Malaysia)

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**PART C : INFORMATION ON PROVISION OF FINANCIAL ASSISTANCE PURSUANT TO  
PARAGRAPH 8.23 AND PRACTICE NOTE 11 / 2001 UNDER LISTING  
REQUIREMENTS OF BURSA SECURITIES**

**26. FINANCIAL ASSISTANCE**

There is no financial assistance rendered by the Company and the Group for the current year quarter / year to date.

By order of the Board

Dato' Foo Chu Jong  
Managing Director

Subang Jaya  
Date: 27 May 2019