

PJBUMI BERHAD
Company No: 141537-M

**NOTES TO THE UNAUDITED RESULTS FOR
THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

Notes to the Interim Financial Statements

1. ACCOUNTING POLICIES

The interim financial report has been prepared in accordance with FRS 134 "Interim Financial Reporting" and Appendix 9B Part A of the Bursa Malaysia Securities Berhad Listing Requirements for Main Market, and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2010. 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 December 2010.

The significant accounting policies and methods of computation adopted for the unaudited interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 December 2010 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations and Technical Releases ("TR"):

FRS 4	Insurance Contracts
FRS 7	Financial Instruments : Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127
Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7
Financial Instruments: Disclosures and IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i-3	Presentation of Financial Statements of Islamic Financial Institutions

The adoption of the above FRSs, Amendments to FRSs, IC Interpretations and TR did not have any material financial impact on the Group other than as stated below:

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FRS 7: Financial Instruments: Disclosures

Prior to the adoption of FRS 7, the disclosures for financial instruments were based on the requirements of the original FRS 132: Financial Instruments: Disclosures and Presentation. This standard requires disclosure on the nature and extent of risks arising from financial instrument which includes qualitative and quantitative disclosure. The Group applied this standard prospectively in accordance with the transitional provision. This standard only affects the form and content of the disclosure in the Group's financial statements.

FRS 8: Operating Segments

FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes that are regularly reviewed by the Group's chief operating decision maker. The Group presents its segment information based on its business segments, which is also the basis of presenting its internal management reports. The basis of measurement of operating results, segment assets and segment liabilities are the same as the basis of measurement for external reporting.

FRS 101: Presentation of Financial Statements

The revised FRS 101 requires Statement of Changes in Equity to include only transaction with owners, and all non-owner changes (i.e. other comprehensive income) are presented in a separate statement. This standard also introduces Statement of Comprehensive Income which presents all items of income and expense recognised in profit or loss and all other items of income and expensed recognised directly in equity, either in one single statement or two linked statements. The Group has applied this standard retrospectively and elected to present in one single statement. The adoption of this standard only impacted the form and content of the presentation of the Group's financial statements.

FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 prescribes the principles for recognising, derecognising and measuring financial assets, financial liabilities, including all derivatives and certain embedded derivatives. Prior to 1 January 2010, the Group classified its investment in unquoted equity securities which were held for non-trading purposes as non-current other investments. Such investments were carried at cost less allowance for diminution in value. Upon adoption of FRS 139, these investments were designated at 1 January 2010 as available-for-sale investments. The unquoted equity securities are carried at cost less impairment loss as there is no active market and their fair values cannot be measured reliably.

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The Group has not early adopted the following new and revised FRSs, Amendments to FRSs and IC Interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:

	For financial periods beginning on or after
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations	1 July 2010
FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)	1 January 2011
Improving Disclosures about Financial Instruments (Amendments to FRS 7)	1 January 2011
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 132 Financial Instruments: Presentation	1 March 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Arrangements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	1 July 2010

The adoption of the above FRSs, Amendments to FRSs and IC Interpretations is not expected to have any significant impact on the results and financial position of the Group.

2. AUDIT QUALIFICATION

The auditors' opinion on the Group's audited financial statements for the financial year ended 31 December 2010 was unqualified.

3. SEASONAL OR CYCLICAL FACTORS

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

4. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows because of their nature, size and incidence during the current quarter under review and financial year-to-date.

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5. MATERIAL CHANGES IN ESTIMATES

There were no changes in estimates that have a material effect in the current quarter under review and financial year-to-date.

6. DEBTS AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review and financial year-to-date.

7. DIVIDENDS PAID

There were no dividends paid by the Company during the current quarter under review and financial year-to-date.

8. SEGMENTAL REPORTING

The Group's segmental report for the current quarter ended 30 June 2011, is as follows:

	Trading, Project & Manufacturing	Operation & Maintenance	Management	Solid Waste Management	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000		RM'000
Revenue						
-External Sales	3,726	356	Nil	2,044	Nil	6,126
-Intersegment sales	Nil	Nil	Nil	Nil	Nil	Nil
	3,726	356	Nil	2,044	Nil	6,126
Results						
-Segment results	(66)	(344)	(523)	489	Nil	(444)
Finance costs						(543)
Loss before taxation						(987)
Tax Expense						Nil
Loss after taxation						(987)

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9. VALUATION OF PROPERTY, PLANT & EQUIPMENT

There is no valuation of property, plant and equipment since the last audited financial statements for the year ended 31 December 2010.

10. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter under review.

11.CHANGES IN THE COMPOSITION OF THE GROUP

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

12.CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the last audited financial statements for the year ended 31 December 2010.

13.CAPITAL COMMITMENTS

There were no capital commitments as at end of the current quarter under review.

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14. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group has the following transactions with related parties during the current quarter under review and financial year-to-date:-

	3 months ended 30.6.2011 <u>RM'000</u>	Cumulative 6 months ended 30.6.2011 <u>RM'000</u>
Project revenue billed by Progressive Uni San (M) Sdn Bhd	1,347	1,347
Internal audit fee charged by Progressive Impact Corp Bhd	8	16
Finance costs paid and payable to a director	<u>123</u>	<u>242</u>

Progressive Uni San (M) Sdn Bhd, a company incorporated in Malaysia is one of the subsidiaries of Progressive Impact Corporation Berhad, being the substantial shareholder of the Group.

The transactions with this related party are conducted in accordance with the general mandate obtained from shareholders for recurrent related party transactions.

15. REVIEW OF PERFORMANCE

For the quarter ended 30 June 2011, the Group has recorded revenue of RM6.127 million, which is approximately RM1.018 million or 14% lower, compared to previous year's corresponding quarter. Lower revenue mainly attributable by the Trading, Project & Manufacturing division which has received lower demand in respect of the SATS products especially from the government body customers as well as no refurbishment job secured in Operation & Maintenance division which the Group had in previous year's corresponding quarter.

The Group recorded a pretax loss of RM0.987 million against a pretax loss of RM1.182 million in previous year's corresponding period.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded sales revenue of RM6.127 million in the current quarter compared to RM5.794 million in the preceding quarter ended 31 March 2011. The Group recorded a pretax loss of RM0.987 million in the current quarter against a pretax profit of RM0.332 million in the preceding quarter.

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17. PROSPECTS IN THE NEXT FINANCIAL YEAR

The Group expects the sales and servicing of FRP tanks business segment as well as revenue from solid waste management segment to continue contributing significant results to the consolidated revenue of the Group for the remaining quarters of the current financial year.

18. VARIANCE OF ACTUAL AND FORECAST PROFIT

Not Applicable.

19. TAXATION

The taxation of the Group for the current quarter under review and financial year-to-date was as follows:-

	3 months ended		Cumulative 6 months ended	
	<u>30.6.2011</u>	<u>30.6.2010</u>	<u>30.6.2011</u>	<u>30.6.2010</u>
	RM'000	RM'000	RM'000	RM'000
Current tax expense	Nil	Nil	Nil	(263)
	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>(263)</u>

The effective tax rate of the Group for the current financial year was lower than the statutory tax rate mainly due to utilization of previously unrecognized unused tax losses and unabsorbed capital allowances in certain subsidiaries.

20. UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investment and/or properties for the current quarter under review and financial year-to-date.

21. QUOTED SECURITIES

There was no purchase or disposal of quoted securities for the current quarter under review and financial year-to-date. There was no investment in quoted securities as at end of the current quarter under review.

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22. CORPORATE PROPOSALS

There were no corporate proposals which were not completed as at the date of this announcement.

23. BORROWINGS

As at 30 June 2011, the Group has the following borrowings, which are denominated in Ringgit Malaysia from various local financial institutions:-

	Unsecured	Secured	Total
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Long Term Borrowings</u>			
Restructured Loans	-	9,354	9,354
	-	9,354	9,354
<u>Short Term Borrowings</u>			
Current portion of restructured loans	-	2,166	2,166
Liabilities associated with properties classified as held for sale:			
-Bank overdrafts	-	2,578	2,578
	-	4,744	4,744
Total	-	14,098	14,098

24. "OFF BALANCE SHEET" FINANCIAL INSTRUMENT

The Group does not have any financial instruments with off balance sheet risk as at the date of this announcement.

25. CHANGES IN MATERIAL LITIGATION

There were no material litigations since the last audited financial statements for the year ended 31 December 2010.

26. PROPOSED DIVIDEND

There were no dividends proposed or declared during the current quarter under review and the financial year-to-date.

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27. EARNINGS PER SHARE

	3 months ended		Cumulative 6 months ended	
	<u>30.6.2011</u>	<u>30.6.2010</u>	<u>30.6.2011</u>	<u>30.6.2010</u>
<u>(a) Basic profit per share</u>				
Net (loss)/profit for the period (RM'000)	(987)	(1,182)	(654)	715
Weighted average number of ordinary shares in issue ('000)	50,000	50,000	50,000	50,000
Basic (loss)/earnings per share (sen)	(1.97)	(2.36)	(1.31)	1.43

(b) Diluted earnings per share

Not applicable.

28. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE

The accumulated (loss)/profit as at 30 June 2011 and 31 March 2011 is analysed as follows:

	Current Quarter RM'000	Immediate Preceding Quarter RM'000
Total accumulated (loss)/profit of the Company and Subsidiaries		
-Realised (loss)/profit	(987)	332
-Unrealised profit	<u>Nil</u>	<u>Nil</u>
	(987)	332
Less: Consolidated adjustments	<u>-</u>	<u>-</u>
Total group accumulated (loss)/profits as per Consolidated financial statements	<u>(987)</u>	<u>332</u>

By Order of the Board
Secretary