

Condensed consolidated interim financial statements

For the three-month period ended 31 March 2014

Condensed Consolidated Statements of Comprehensive Income

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		31-Mar 2014	31-Mar 2013	31-Mar 2014	31-Mar 2013
		Unaudited RM'000	Audited RM'000	Unaudited RM'000	Audited RM'000
Revenue	4	4,496	3,076	4,496	3,076
Cost of sales		(2,673)	(1,608)	(2,673)	(1,608)
Gross profit		1,823	1,468	1,823	1,468
Other income		454	5	454	5
Administrative expenses		(1,697)	(842)	(1,697)	(842)
Other operating expenses		-	-	-	-
Operating profit		580	631	580	631
Finance costs		(174)	(252)	(174)	(252)
Profit before tax		406	379	406	379
Income tax expenses		(363)	(219)	(363)	(219)
Profit for the period		43	160	43	160
Profit for the period attributable to:					
Owners of the parent		43	160	43	160
		43	160	43	160
Earnings per share attributable to owners of the parent (sen per share)					
Basic	6	0.09	0.32	0.09	0.32

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

Condensed consolidated interim financial statements

As at 31 March 2014

Condensed Consolidated Statements of Financial Position

Note	31-Mar 2014 Unaudited RM'000	31-Dec 2013 Audited RM'000
Asset		
Non-current assets		
Property, plant and equipment	15,962	15,763
Investment properties	10,751	10,776
	26,713	26,539
Current assets		
Inventories	463	316
Trade and other receivables	8,236	7,993
Cash and cash equivalents	449	614
	9,148	8,923
Total assets	35,861	35,462

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attach to these interim financial reports.

Condensed consolidated interim financial statements

As at 31 March 2014

Condensed Consolidated Statements of Financial Position (continued)

	Note	31-Mar 2014 Unaudited RM'000	31-Dec 2013 Audited RM'000
Equity and liabilities			
Equity			
Share capital		25,000	25,000
Share premium		3,473	3,473
Capital reserve		2,000	2,000
Retained earnings		(19,450)	(19,490)
Total equity		11,023	10,983
Non current liabilities			
Interest-bearing loans and borrowings	25	8,947	8,947
Deferred tax liabilities		263	263
		9,210	9,210
Current liabilities			
Trade and other payables		6,171	5,919
Interest-bearing loans and borrowings	25	1,236	1,214
Income tax payable		8,221	8,136
		15,628	15,269
Total liabilities		24,838	24,479
Total equity and liabilities		35,861	35,462

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attach to these interim financial reports.

Condensed consolidated interim financial statements

For the year ended 31 March 2014

Condensed Consolidated Statements of Changes In Equity

	Note	Attributable to owners of the parent				
		Equity, total RM'000	Non-distributable			Distributable
			Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Retained earnings RM'000
Opening balance at 1 January 2014		10,980	25,000	3,473	2,000	(19,493)
Total comprehensive profit		43	-	-	-	43
Closing balance at 31 March 2014		11,023	25,000	3,473	2,000	(19,450)
Opening balance at 1 January 2013		7,817	25,000	3,473	2,000	(22,656)
Total comprehensive profit		160	-	-	-	160
Closing balance at 31 March 2013		7,977	25,000	3,473	2,000	(22,496)

These condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attach to these interim financial reports.

Condensed consolidated interim financial statements

For the year ended 31 March 2014

Condensed Consolidated Statements of Cash Flows

	Note	3 months ended	
		31-Mar-14 Unaudited RM'000	31-Mar-13 Audited RM'000
Operating activities			
Profit before tax		406	379
Adjustments for:			
Depreciation of investment properties		25	25
Depreciation of property, plant and equipment		126	84
Gain on disposal of property, plant and equipment		(6)	-
Interest expenses		174	252
Interest income		(1)	-
Total adjustment		318	361
Operating cash flows before changes in working capital		724	740
Changes in working capital			
(Increase)/Decrease in inventories		(147)	72
Increase in receivables, deposit and prepayments		(243)	(1,530)
Increase in payables and accruals		252	146
Total changes in working capital		586	(572)
Tax paid		(281)	(45)
		(281)	(45)
Cash flow from operations carried forward		305	(617)

These condensed consolidated of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial reports.

Condensed consolidated interim financial statements

For the year ended 31 March 2014

Condensed Consolidated Statements of Cash Flows (continued)

	Note	3 months ended	
		31-Mar-14	31-Mar-13
		Unaudited RM'000	Audited RM'000
Cash flows from operations brought forward		306	(617)
Investing activities			
Acquisition of property, plant and equipment		(300)	(138)
Proceeds from disposal of property, plant and equipment		6	-
Interest received		1	-
Net cash flows used in investing activities		(293)	(138)
Financing activities			
Net repayment of loans and borrowings		(152)	(190)
Net repayment of hire purchase creditors		(25)	-
Net cash (used in)/ generated from financing activities		(177)	(190)
Net increase in cash and cash equivalents		(164)	(945)
Cash and cash equivalents at 1 January		614	2,481
Cash and cash equivalents at 31 March		450	1,536

These condensed consolidated of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial reports.

EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 March 2014

1. Corporate information

PJBumi Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the board of directors on 26 May 2014.

2. Adoption of Malaysian Financial Reporting Standards (MFRS) .

These condensed consolidated interim financial statements, for the period ended 31 March 2014, have been prepared in accordance with MFRS 134 Interim financial Reporting and paragraph 9.22 of the listing requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods ending on or after 31 December 2012, the group prepared its financial statements in accordance with Malaysian Financial Reporting Standards (“MFRS”).

The consolidated financial statements of the Group for the year ended 31 December 2012 which were prepared under MFRS are available upon request from the Company registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The explanatory notes attached to these condensed consolidated 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 year ended 31 December 2013.

EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 March 2014

2. Adoption of Malaysian Financial Reporting Standards (MFRS) (continued)

MFRSs, Amendments to MFRSs and IC Interpretation

At the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation have been adopted by the Group :

	Effective for annual period beginning on or after
MFRS 9 : Financial Instruments (<i>IFRS 9 issued by IASB in November 2009 and October 2010</i>)	1 January 2015
MFRS 10 : Consolidated Financial Statements	1 January 2013
MFRS 11 : Joint Arrangements	1 January 2013
MFRS 12 : Disclosure of Interest in Other Entities	1 January 2013
MFRS 13 : Fair Value Measurement	1 January 2013
MFRS 119 : Employee Benefits	1 January 2013
MFRS 127 : Separate Financial Statements (<i>as amended by IASB in May 2011</i>)	1 January 2013
MFRS 128 : Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1 : Government Loans	1 January 2013
Amendments to MFRS 7 : Disclosures - offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101 : Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014

3. Significant accounting policies and application of MFRS 1.

The audited financial statements of the group for the year ended 31 December 2013 were prepared in accordance with MFRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2013 except as discussed below:

3. Significant accounting policies and application of MFRS 1 (continued)

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and

(b) Quoted equity instruments.

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

4. Segmental information

The Group's segmental report for the current quarter ended 31 March 2014 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	821	303	Nil	3,372	Nil	4,496
Intersegment sales	Nil	Nil	Nil	Nil	Nil	Nil
	821	303	Nil	3,372	Nil	4,496
Results						
-Segment results	386	(75)	(906)	1,175	Nil	580
Finance costs						(174)
Profit before taxation						406
Tax Expense						(363)
Profit after taxation						43

4. Segmental information (continued)

The group is organized into business units based on their products and services, and has four operating segments as follows:

- (a) Manufacturing and sale of Fibre Reinforced plastic ('FRP'), FRP sewerage treatment plant and other FRP products.
- (b) Investment holding, solid waste management and garbage collection, area cleansing and other related business.
- (c) Provision of after-sales support services including connecting works of fibre plastic tanks and mechanical and engineering equipment, providing maintenance, upgrading and/or rectification works, desludging works and sludge treatment.
- (d) Management services and investment holding.

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

5. Seasonality of operation

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

6. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares held by the company.

Diluted earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

6. Earnings per share (continued)

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31-Mar 2014	31-Mar 2013	31-Mar 2014	31-Mar 2013
Profit net of tax attributable to owners of the parent in the computation of earnings per share (RM'000)	43	160	43	160
Weighted average number of ordinary share in issue ('000)	50,000	50,000	50,000	50,000
Effects of dilution share options ('000)	Nil	Nil	Nil	Nil
Weighted average number of ordinary share for diluted earnings per share computation ('000)	50,000	50,000	50,000	50,000
Basic earning per share (sen per share)	0.09	0.32	0.09	0.32
Diluted earning per share (sen per share)	NA	NA	NA	NA

NA = Not applicable.

7. 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.

8. 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.

9. 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.

10. Dividend

No interim ordinary dividend has been declared for the financial period ended 31 March 2014 (31 March 2013: Nil).

11. Valuation of properties, plant and equipment

There is no valuation of properties, plant and equipment in the current quarter under review.

12. Events after the reporting period

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

13. Change in the composition of the group

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

14. 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 March 2014.

15. Capital Commitment

At the balance sheet date the Group and the Company have a commitment of RM1 million for the acquisition of property, plant and equipment.

16. Auditors report on preceding annual financial statements

The auditors' opinion on the Group's audited financial statements for the financial year ended 31 December 2013 was unqualified.

17. Significant related party transactions

There were no related party transactions during the current quarter under review.

18. Review of performance

For the quarter ended 31 March 2014, the Group has recorded revenue of RM4.496 million, which is approximately RM1.420 million or 46% higher, compared to previous year's corresponding period.

The Group recorded a pretax profit of RM0.406 million against pretax profit of RM0.379 million in previous year's corresponding period.

19. Comparison with preceding quarter's results

The Group recorded revenue of RM4.496 million in the current quarter compared to RM5.411 million in the preceding quarter ended 31 December 2013. The Group recorded a pretax profit of RM0.406 million in the current quarter against a pretax loss of RM2.629 million in the preceding quarter. The higher losses in the previous year was due mainly to corporate guarantee of RM1 million and RM0.25 million as part of settlement to MMC Engineering and Construction Sdn. Bhd.

20. Prospect

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.

21. Variance of actual and forecast profit

Not applicable.

22. Taxation

There was no adjustment of deferred taxation during the current financial quarter

23. Unquoted investment and/or properties

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

24. Corporate proposals

There is no corporate proposal that was announced and not completed.

25. **Borrowing**

As at 31 March 2014, the Group has the following borrowings, which are denominated in Ringgit Malaysia from various local financial institutions:-

	Secured	Total
	<u>RM'000</u>	<u>RM'000</u>
<u>Long Term Borrowings</u>		
Restructured Loans	8,947	8,947
	<u>8,947</u>	<u>8,947</u>
<u>Short Term Borrowings</u>		
Current portion of restructured loans	1,236	1,236
	<u>1,236</u>	<u>1,236</u>
 Total	 <u>10,183</u>	 <u>10,183</u>

26. **“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.

27. **Changes in material litigation**

Total Equity and Current Liabilities

On 3 September 2010, Petronas Dagangan Berhad (“Petronas”) served the Company with Summons and Statement of Claim which was presented to the Kuala Lumpur High Court. Petronas made a claim against the Company for a sum of RM13,647,838 being cost allegedly incurred to replace the defective tanks supplied by the Company and other costs/ claims and interest that the Court may deem fit. The claim by Petronas is premised on a breach of warranty in respect of fibre tanks supplied for its petrol filling/ service stations located in Malaysia. The trial date has been postponed to 24 to 27 June 2014.

28. **Realized and unrealized profits/losses disclosure**

The accumulated profit/(loss) as at 31 March 2014 and 31 December 2013 is analyzed as follows:

	Current Quarter RM'000	Immediate preceding quarter RM'000
Total accumulated profit of the Company and Subsidiaries		
- realised profit/(loss)	43	(3,628)
- unrealised loss	-	-
	<u>43</u>	<u>(3,628)</u>
Less : consolidated adjustments		
Total group accumulated profit as per Consolidated financial statements	<u>43</u>	<u>(3,628)</u>

By Order of the Board

Secretary