

Condensed consolidated interim financial statements

For the three-month period ended 31 December 2015

Condensed Consolidated Statements of Comprehensive Income

	Note	Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31-Dec 2015	31-Dec 2014	31-Dec 2015	31-Dec 2014
		Unaudited RM'000	Audited RM'000	Unaudited RM'000	Audited RM'000
Revenue	4	1,943	4,104	5,546	16,712
Cost of sales		(1,150)	(2,493)	(3,226)	(10,458)
Gross profit		793	1,611	2,320	6,254
Other income		303	1,202	909	1,654
Administrative expenses		(1,526)	(1,540)	(5,873)	(5,856)
Other operating expenses		-	-	-	-
Operating (loss)/profit		(430)	1,273	(2,644)	2,052
Finance costs		(176)	(175)	(700)	(699)
(Loss)/Profit before tax		(606)	1,098	(3,344)	1,353
Income tax expenses		-	(483)	-	498
(Loss)/Profit for the period		(606)	615	(3,344)	1,851
Other Comprehensive income					
Item that will not be reclassified to profit or loss :					
Gain on fair value of property, plant and equipment and investment properties :					
Property, plant and equipment	11	-	3,757	-	3,757
Investment properties	11	-	3,375	-	3,375
Other Comprehensive income for the period		-	7,132	-	7,132
Total Comprehensive Income for the period		(606)	7,747	(3,344)	8,983
(Loss)/Profit for the period attributable to:					
Owners of the parent		(606)	615	(3,344)	1,851
		(606)	615	(3,344)	1,851
Earnings per share attributable to owners of the parent (sen per share)					
Basic	6	(1.21)	1.23	(6.69)	3.70

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to these interim financial statements.

Condensed consolidated interim financial statements

As at 31 December 2015

Condensed Consolidated Statements of Financial Position

Note	31-Dec 2015 Unaudited RM'000	31-Dec 2014 Audited RM'000
Asset		
Non-current assets		
Property, plant and equipment	18,970	19,366
Investment properties	13,801	13,955
	32,771	33,321
Current assets		
Inventories	282	412
Trade and other receivables	6,471	7,302
Cash and cash equivalents	435	891
	7,188	8,605
Total assets	39,959	41,926

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attach to these interim financial reports.

Condensed consolidated interim financial statements

As at 31 December 2015

Condensed Consolidated Statements of Financial Position (continued)

	Note	31-Dec 2015 Unaudited RM'000	31-Dec 2014 Audited RM'000
Equity and liabilities			
Equity			
Share capital		25,000	25,000
Share premium		3,473	3,473
Capital reserve		9,132	9,132
Retained earnings		(20,983)	(17,639)
Total equity		16,622	19,966
Non current liabilities			
Interest-bearing loans and borrowings	25	8,222	7,775
Hire purchase payables		109	183
Deferred tax liabilities		164	164
		8,495	8,122
Current liabilities			
Trade and other payables		7,471	6,254
Interest-bearing loans and borrowings	25	750	1,110
Hire purchase payables		70	59
Income tax payable		6,551	6,415
		14,842	13,838
Total liabilities		23,337	21,960
Total equity and liabilities		39,959	41,926

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attach to these interim financial reports.

Condensed consolidated interim financial statements

For the year ended 31 December 2015

Condensed Consolidated Statements of Changes In Equity

	Note	Attributable to owners of the parent				
		Equity, total RM'000	Non-distributable		Capital reserve RM'000	Distributable Retained earnings RM'000
			Share capital RM'000	Share premium RM'000		
Opening balance at 1 January 2015		19,966	25,000	3,473	9,132	(17,639)
Total comprehensive loss		(3,344)	-	-	-	(3,344)
Closing balance at 31 December 2015		16,622	25,000	3,473	9,132	(20,983)
Opening balance at 1 January 2014		10,983	25,000	3,473	2,000	(19,490)
Total comprehensive profit		8,983	-	-	7,132	1,851
Closing balance at 31 December 2014		19,966	25,000	3,473	9,132	(17,639)

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 2014 and the accompanying explanatory notes attach to these interim financial reports.

Condensed consolidated interim financial statements

For the year ended 31 December 2015

Condensed Consolidated Statements of Cash Flows

	Note	12 months ended	
		31-Dec-15	31-Dec-14
		Unaudited RM'000	Audited RM'000
Operating activities			
(Loss)/Profit before tax		(3,344)	1,353
Adjustments for:			
Depreciation of investment properties		154	195
Depreciation of property, plant and equipment		430	474
Gain on disposal of property, plant and equipment		-	(6)
Interest expenses		700	699
Interest income		-	(4)
Reversal of accruals		-	(1,654)
Total adjustment		1,284	(296)
Operating cash flows before changes in working capital		(2,060)	1,057
Changes in working capital			
(Decrease)/Increase in inventories		130	(96)
Decrease in receivables, deposit and prepayments		830	691
(Decrease)/Increase in payables and accruals		(1,367)	2,049
Increase in amount due to director		2,584	-
Total changes in working capital		117	3,701
Interest paid		(700)	(699)
Tax paid		136	(1,322)
		(564)	(2,021)
Cash flow from operations carried forward		(447)	1,680

These condensed consolidated of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to these interim financial reports.

Condensed consolidated interim financial statements

For the year ended 31 December 2015

Condensed Consolidated Statements of Cash Flows (continued)

	Note	12 months ended	
		31-Dec-15 Unaudited RM'000	31-Dec-14 Audited RM'000
Cash flows from operations brought forward		(447)	1,680
Investing activities			
Acquisition of property, plant and equipment		(34)	(319)
Proceeds from disposal of property, plant and equipment		-	6
Interest received		-	4
Net cash flows used in investing activities		(34)	(309)
Financing activities			
Net repayment of loans and borrowings		89	(1,034)
Net repayment of hire purchase creditors		(64)	(60)
Net cash (used in)/ generated from financing activities		25	(1,094)
Net increase in cash and cash equivalents		(456)	277
Cash and cash equivalents at 1 January		891	614
Cash and cash equivalents at 31 December		435	891

These condensed consolidated of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to these interim financial reports.

EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2015

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 25 February 2016.

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

These condensed consolidated interim financial statements, for the period ended 31 December 2015, 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 2014.

EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2015

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 (<i>as amended in June 2011</i>)	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 2014 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 2014 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.

(c) Use of fair value as deemed cost

MFRS 1 provides the option to apply the fair value as deemed cost for an item of property, plant and equipment, an investment property or an intangible asset.

The Group has elected to apply the fair value in determining the cost of property, plant and equipment, and investment properties with effect from financial year 2014.

4. Segmental information

The Group's segmental report for the current quarter ended 31 December 2015 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	697	734	Nil	512	Nil	1,943
Intersegment sales	Nil	Nil	Nil	Nil	Nil	Nil
	697	734	Nil	512	Nil	1,943
Results						
-Segment results	(146)	43	(295)	(33)	Nil	(431)
Finance costs						(175)
Loss before taxation						(606)
Tax Expense						Nil
Loss after taxation						(606)

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-Dec 2015	31-Dec 2014	31-Dec 2015	31-Dec 2014
(Loss)/Profit net of tax attributable to owners of the parent in the computation of earnings per share (RM'000)	(606)	615	(3,344)	1,851
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)	(1.21)	1.23	(6.69)	3.70
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 December 2015 (31 December 2014 : 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 December 2015.

15. Capital Commitment

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

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 2014 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 December 2015, the Group has recorded revenue of RM1.943 million, which is approximately RM2.161 million or 53% lower, compared to previous year's corresponding period. The reduction in revenue mainly attributable by lesser revenue generated from the industrial services sector i.e. solid waste management services.

The Group recorded a pretax loss of RM0.606 million against pretax profit of RM0.615 million in previous year's corresponding period.

19. Comparison with preceding quarter's results

The Group recorded revenue of RM1.943 million in the current quarter compared to RM1.140 million in the preceding quarter ended 30 September 2015. The Group recorded a pretax loss of RM0.606 million in the current quarter against of RM0.914 million in the preceding quarter.

20. Prospect

The Group expects higher revenue generated from the engineering and construction segment as well as revenue from sales and servicing of FRP tanks business 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 December 2015, 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	8,222	8,222
	<u>8,222</u>	<u>8,222</u>
<u>Short Term Borrowings</u>		
Current portion of restructured loans	750	750
	<u>750</u>	<u>750</u>
 Total	 <u>8,972</u>	 <u>8,972</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

On 18 June 2015, the Company had received a judgement from Court of Appeal to pay Petronas Dagangan Berhad a total sum of RM2,364,946.00 including 5% interest per annum commencing from 13 August 2010 until full settlement.

On 23 December 2015, PJBumi was served with a Notice Pursuant to Section 218 of the Companies Act, 1965 by Petronas. PJBumi has applied for leave application against the Notice and to obtain “Fortuna” injunction to withhold the winding up petition.

Furthermore, the Notice of Motion has been filed at Federal Court and is fixed for hearing on 17/03/2016.

28. Realized and unrealized profits/losses disclosure

The accumulated loss as at 31 December 2015 and 30 September 2015 is analyzed as follows:

	Current Quarter RM'000	Immediate preceding quarter RM'000
Total accumulated profit of the Company and Subsidiaries		
- realized loss	(606)	(914)
	<u>(606)</u>	<u>(914)</u>
Less : consolidated adjustments	<u>-</u>	<u>-</u>
Total group accumulated profit as per Consolidated financial statements	<u>(606)</u>	<u>(914)</u>

By Order of the Board

Secretary