PJBUMI BERHAD

Quarterly Report

For Fourth Quarter Ended

31 December 2017

The Board of Directors of PJBumi Berhad ("PJBUMI" or the "Company") is pleased to announce the following unaudited condensed consolidated financial statements for the quarter ended 31 December 2017 which should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attach to these interim financial reports.

Condensed Consolidated Interim Financial Statements

For the three-month period ended 31 December 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Current quarter 3 months ended		*Cumulative quarter 12 months ended*	
	Note	**31-Dec 2017 Unaudited RM'000**	**31-Dec 2016 Audited RM'000**	**31-Dec 2017 Unaudited RM'000**	**31-Dec 2016 Audited RM'000**
Revenue	A10.1&A10.2	1,123	2,530	4,776	8,037
Cost of sales		(733)	(1,722)	(3,223)	(5,017)
Gross profit		390	808	1,553	3,020
Other income		277	3,028	330	2,695
Administratitive expenses		(1,320)	(2,621)	(6,272)	(6,216)
Other operating expenses		-	-	-	-
Operating loss		(653)	1,215	(4,389)	(501)
Finance costs		(1)	(141)	(795)	(653)
Loss before tax		(654)	1,074	(5,184)	(1,154)
Income tax expenses		-	(361)	(12)	(292)
Loss for the period		**(654)**	**713**	**(5,196)**	**(1,446)**
Loss for the period attributable to:					
Owners of the parent		(635)	713	(5,094)	(1,446)
Non controlling interest		(19)	-	(102)	-
		(654)	**713**	**(5,196)**	**(1,446)**
Earnings per share atributable to owners of the parent (sen per share)					
Basic	B13	(0.77)	1.43	(6.21)	(2.89)

Condensed Consolidated Interim Financial Statements

As at 31 December 2017

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31-Dec 2017 Unaudited RM'000	31-Dec 2016 Audited RM'000
Asset			
Non-current assets			
Property, plant and equipment		249	596
Investment properties		10,655	10,655
Deferred tax assets		50	50
Goodwill		15,313	-
		26,267	11,301
Current assets			
Inventories		142	352
Trade and other receivables		9,772	8,654
Assets classified as held for sale		-	17,956
Cash and cash equivalents		638	425
		10,552	27,387
Total assets		**36,819**	**38,688**

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attach to these interim financial reports.

Condensed Consolidated Interim Financial Statements

As at 31 December 2017

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Note	31-Dec 2017 Unaudited RM'000	31-Dec 2016 Audited RM'000
Equity and liabilities			
Equity			
Share capital		41,000	25,000
Reserve		8,248	11,925
Retained earnings		(27,598)	(22,504)
Non-controlling interest		192	-
Total equity		**21,842**	**14,421**
Non current liabilities			
Interest-bearing loans and borrowings	B8	-	5,678
Hire purchase payables		-	60
Deferred tax liabilities		201	201
		201	5,939
Current liabilities			
Trade and other payables		8,809	11,435
Interest-bearing loans and borrowings	B8	-	300
Hire purchase payables		59	59
Income tax payable		5,908	6,534
		14,776	18,328
Total liabilites		**14,977**	**24,267**
Total equity and liabilities		**36,819**	**38,688**

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attach to these interim financial reports.

Condensed Consolidated Interim Financial Statements

For the year ended 31 December 2017

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the parent						
					Non-distributable			Distributable
		Equity, total	**Non controlling Interest**	**Total**	**Share capital**	**Share premium**	**Capital reserve**	**Retained earnings**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Opening balance at 1 January 2017		**14,421**	**-**	**14,421**	**25,000**	**3,473**	**8,452**	**(22,504)**
Total comprehensive loss		(5,196)	(102)	(5,094)	-	-	-	(5,094)
Disposal of land		(3,758)	-	(3,758)	-	-	(3,758)	-
Acquisition of warrant liability		81	-	81	-	-	81	-
Isuuance of new shares		16,000	-	16,000	16,000	-	-	-
Acquisition of subsidiary with NCI		294	294	-	-	-	-	-
Closing balance at 31 December 2017		**21,842**	**192**	**21,650**	**41,000**	**3,473**	**4,775**	**(27,598)**
Opening balance at 1 January 2016		**16,547**	**-**	**16,547**	**25,000**	**3,473**	**9,132**	**(21,058)**
Total comprehensive loss		(1,446)	-	(1,446)	-	-	-	(1,446)
Disposal of land		(680)	-	(680)	-	-	(680)	-
Closing balance at 31 December 2016		**14,421**	**-**	**14,421**	**25,000**	**3,473**	**8,452**	**(22,504)**

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 2016 and the accompanying explanatory notes attach to these interim financial reports.

Condensed Consolidated Interim Financial Statements

For the year ended 31 December 2017

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	12 months ended	
		31-Dec-17	31-Dec-16
		Unaudited	Audited
	Note	RM'000	RM'000
Operating activities			
Loss before tax		(5,184)	(1,154)
Adjustments for:			
Bad debt written off		-	270
Bad debt recovered		-	(1,379)
Depreciation of property, plant and equipment		347	427
Loss/(Gain) on disposal of property, plant and equipment		84	(771)
Loss on disposal of properties held for sale		1,302	-
Interest expenses		795	653
Total adjustment		2,528	(800)
Operating cash flows before changes in working capital		**(2,656)**	**(1,954)**
Changes in working capital			
Decrease/(Increase) in inventories		210	(70)
(Increase)/Decrease in receivables, deposit and prepayments		(131)	342
(Decrease)/Increase in payables and accruals		(70)	944
(Decrease)/Increase in amount due to director		(1,677)	797
Increase in accrued warrant liability		75	-
Total changes in working capital		(4,249)	59
Interest paid		(795)	(653)
Tax paid		(638)	(190)
		(1,433)	(843)
Net cash used in operations carried forward		**(5,682)**	**(784)**

These condensed consolidated of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial reports.

Condensed Consolidated Interim Financial Statements

For the year ended 31 December 2017

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

		12 months ended	
		31-Dec-17	31-Dec-16
		Unaudited	Audited
	Note	RM'000	RM'000
Net cash used in operations brought forward		**(5,682)**	**(784)**
Investing activities			
Acquisition of property, plant and equipment		(3)	(16)
Proceeds from sale properties held for sale		12,677	-
Proceeds from sale of property, plant and equipment		138	3,391
Net cash generated from investing activities		**12,812**	**3,375**
Financing activities			
Net repayment of loans and borrowings		(6,857)	(2,542)
Net repayment of hire purchase creditors		(60)	(59)
Net cash used in from financing activities		**(6,917)**	**(2,601)**
Net increase/(decrease) in cash and cash equivalents		213	(10)
Cash and cash equivalents at 1 January		425	435
Cash and cash equivalents at 31 December		**638**	**425**

These condensed consolidated of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial reports.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2017

A1. CORPORATE INFORMATION

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

These condensed consolidated interim financial statements were approved by the Board of Directors on 27 February 2018.

A2. BASIS OF PREPARATION

These condensed consolidated interim financial statements, for the period ended 31 December 2017, 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. They should also be read in conjunction with the financial statements of the Group for the year ended 31 December 2016 and the accompanying notes attached to the condensed consolidated interim financial statements.

Within the context of these condensed consolidated interim financial statements, the Group includes the Company and its subsidiaries as at and for the quarter ended 31 December 2017.

A3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2016.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2017 (Continued)

A3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The followings are accounting standards, amendments and interpretations of MFRS framework that has been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

MFRS 14	Regulatory Deferral Accounts
Amendment to MFRS 5	Non-current Assets Held for Sale and Discontinued *Operations (Annual Improvements 2012-2014 Cycle)*
Amendment to MFRS 7	Financial Instruments: Disclosures (Annual Improvements *2012-2014 Cycle)*
Amendments to MFRS 10	Consolidated Financial Statements and MFRS 128, Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 10	Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investment in Associates and Joint Ventures – Investment Entities : Applying the Consolidation Exception
Amendments to MFRS 11	Joint Arrangements – *Accounting for Acquisitions of Interests in Joint Operations*
Amendments to MFRS 101	Presentation of Financial Statements – *Disclosure Initiative*
Amendments to MFRS 116 and MFRS 138	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to MFRS 116 and MFRS 141	*Agriculture – Agriculture: Bearer Plants*
Amendments to MFRS 119	Employee Benefits (Annual Improvements 2012 – 2014 Cycle)
Amendments to MFRS 127	Separate Financial Statements – Equity Method in *Separate Financial Statements*

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2017 (Continued)

A3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

Amendment to MFRS 12	Disclosure of Interests in Other Entities *(Annual Improvements 2014-2016 Cycle)*
Amendment to MFRS 107	Statement of Cash Flows – Disclosure Initiative
Amendments to MFRS 112	Income Taxes – Recognition of Deferred Tax Assets for Unrealised Loses

The following pronouncements that have been issued by the Malaysian Accounting Standards Board will become effective in future financial reporting periods and have not been adopted by the Group in the interim financial statements.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

MFRS 9	*Financial Instruments (2014)*
MFRS 15	*Revenue from Contracts with Customers*
Amendments to MFRS 1	*First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016)*
Amendments to MFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to MFRS 140	Investment Property – Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

MFRS 16	*"Leases"*

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2017 (Continued)

A3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group and the Company are expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective.

None of the standards listed above are expected to have a significant effect on the financial statements of the Company upon initial application, except for the following:

- Amendments to MFRS 107 'Statement of Cash Flows - Disclosure Initiative' (effective from 1 January 2017) introduce an additional disclosure on changes in liabilities arising from financing activities.

- MFRS 9 "Financial Instruments" (effective 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

  MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2017 (Continued)

A3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- MFRS 9 "Financial Instruments" (effective 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement" (cont'd).

  For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in OCI rather than the profit or loss, unless this creates an accounting mismatch.

  MFRS 9 introduces an expected credit losses model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Company are currently still in process of assessing the impact of the new standards upon initial application of these standards.

A4. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of PJBUMI and its subsidiaries for the year ended 31 December 2016 were not subject to any audit qualification.

A5. SEASONALITY OF OPERATION

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

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2017 (Continued)

A6. UNUSUAL ITEMS

Save for item A8, 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.

A7. 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.

A8. DEBT AND EQUITY SECURITIES

There was issuance of 32,000,000 new ordinary shares in PJBumi at an issuance price of RM0.50 per share during the financial year-to-date.

A9. DIVIDEND

No interim ordinary dividend has been declared for the financial period ended 31 December 2017 (31 December 2016: Nil).

A10. SEGMENTAL INFORMATION

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.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2017 (Continued)

A10. SEGMENTAL INFORMATION (CONTINUED)

A10.1 The Group's segmental report for the current quarter ended 31 December 2017 is as follows:

	Manufacturing & Trading	Operation & Maintenance	Solid Waste Management	Corporate holding	Construction & Project	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
Revenue							
External	43	410	580	-	90	-	1,123
Inter-segment revenue	-	-	-	-	-	-	-
	43	**410**	**580**	**-**	**90**	**-**	**1,123**
Segment Results							
Loss from operations	(112)	6	(140)	(220)	(187)	-	(653)
Finance costs							(1)
Loss before taxation							(654)
Tax Expense							-
Loss after taxation							**(654)**
Non-controlling interest							(19)
Net Loss for the period							**(635)**

A10.2 The Group's segmental report for the current quarter ended 31 December 2017 is as follows:

	Manufacturing & Trading	Operation & Maintenance	Solid Waste Management	Corporate holding	Construction & Project	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
Revenue							
External	559	1080	2302	-	835	-	4,776
Inter-segment revenue	-	-	-	-	-	-	-
	559	**1080**	**2302**	**-**	**835**	**-**	**4,776**
Segment Results							
(Loss)/Profit from operati	(2,049)	(347)	(420)	(1,581)	8	-	(4,389)
Finance costs							(795)
Loss before taxation							(5,184)
Tax Expense							(12)
Loss after taxation							**(5,196)**
Non-controlling interest							(102)
Net Loss for the period							**(5,094)**

The review of the Group's and segmental performance is further illustrated in Note B1 and B2.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2017 (Continued)

A11. VALUATION OF PROPERTIES, PLANT AND EQUIPMENT

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

A12. SUBSEQUENT EVENT

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

A13. CONTINGENCIES

There were no material changes in contingent liabilities or contingent assets since the last audited financial statements for the year ended 31 December 2016.

A14. CHANGES IN COMPOSITION OF THE GROUP

On 12 July 2017, PJBumi acquired 700,000 ordinary shares representing 70% equity interest in Goldix Resources Sdn Bhd ("GRSB"), a company incorporated in Malaysia.

GRSB is an investment holding company with contracted order book value of RM98.3million.

A15. CAPITAL COMMITMENT

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

A16. RELATED PARTY TRANSACTIONS

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

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2017 (Continued)

A17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

a) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

b) Borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting. The carrying amount of long term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

When measuring fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in valuation techniques as follows:

- Level 1 – Quoted prices quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly(i.e. prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable input).

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2017 (Continued)

A17. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents the Group's financial assets and liabilities that are measured at fair value as at 31 December into three different levels as defined below:

Financial assets

As at 31 December 2017

RM'000	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 1	Level 2	Level 3	
Financial assets				
Trade and other receivables	-	-	9,772	9,772
Cash and bank balances	-	-	638	638
	-	**-**	**10,410**	**10,410**

As at 31 December 2016

RM'000	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 1	Level 2	Level 3	
Financial assets				
Trade and other receivables	-	-	8,654	8,654
Cash and bank balances	-	-	425	425
	-	**-**	**9,079**	**9,079**

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 31 December 2017 (Continued)

A17. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities

As at 31 December 2017

	Fair value of financial instruments not carried at fair value			
RM'000	**Level 1**	**Level 2**	**Level 3**	**Carrying amount**
Financial liabilities				
Trade and other payables	-	-	8,809	8,809
Hire purchase payables	-	-	57	59
Borrowings	-	-	-	-
	-	**-**	8,866	8,868

As at 31 December 2016

	Fair value of financial instruments not carried at fair value			
RM'000	**Level 1**	**Level 2**	**Level 3**	**Carrying amount**
Financial liabilities				
Trade and other payables	-	-	11,435	11,435
Hire purchase payables	-	-	167	119
Borrowings	-	-	16,141	5,978
	-	**-**	27,743	**17,532**

PART B - OTHER EXPLANATORY NOTES

As at 31 December 2017

B1. REVIEW OF GROUP PERFORMANCE

	Current Year To Date 31-Dec-17 RM000	Preceding Year Corresponding Period 31-Dec-16 RM000	Variance Amount RM000	Variance % +/(-)
Revenue				
Manufacturing & Trading	559	3,491	(2,932)	-84%
Operation & Maintenance	1,080	956	124	13%
Solid Waste Management	2,302	2,322	(20)	-1%
Construction & Project	835	1,268	(433)	-34%
	4,776	**8,037**	**(3,261)**	**-41%**
Segment results				
Manufacturing & Trading	(2,049)	937	(2,986)	319%
Operation & Maintenance	(347)	(488)	141	29%
Solid Waste Management	(420)	(317)	(103)	-32%
Construction & Project	8	45	(37)	82%
Corporate holding	(1,581)	(678)	(903)	-133%
Loss from operations	**(4,389)**	**(501)**	**(3,888)**	**-89%**
Finance costs	(795)	(653)	(142)	-22%
Loss before taxation	(5,184)	(1,154)	(4,030)	-349%
Tax expense	(12)	(292)	280	96%
Loss after taxation	**(5,196)**	**(1,446)**	**(3,750)**	**-259%**
Non-controlling interest	(102)	-	(102)	
Loss attributable to owners of the parent	**(5,094)**	**(1,446)**	- **(3,648)**	**-252%**

1.1 Segment Background

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

a) Manufacturing and sale of Fibre Reinforced plastic (‘FRP’), FRP waste water treatment plant and other FRP products.

b) Solid waste management and garbage collection, area cleansing and other related business.

PART B - OTHER EXPLANATORY NOTES
As at 31 December 2017

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

1.1 Segment Background (continued)

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.

e) Undertake works for civil, mechanical, electrical and erection engineering.

1.2 Group and segment Analysis

Group Analysis

The Group has recorded revenue of RM4.776 million, which is approximately RM3.261 million or 41% lower compared to previous year's corresponding period. The lower revenue mainly attributable by the manufacturing division and construction division which their revenue contributions had declined by RM2.932 million and RM0.433 million respectively.

The Group recorded a pretax loss of RM5.184 million against pretax loss of RM1.154 million in previous year's corresponding period. The increase in pretax loss by was mainly due to lesser revenue generated and expenses related to disposal of land amounting to RM0.714 million.

PART B - OTHER EXPLANATORY NOTES
As at 31 December 2017 (Continued)

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

1.2 Group and Segment Analysis (continued)

Segment Analysis

a) Manufacturing and Trading

For the current financial year, the Manufacturing and Trading segment contributed 12% from the total Group revenue compared to 43% contribution in previous year. The revenue has reduced significantly due to lesser demand in septic tanks, tighter budget from the customers and delay in product certifications for bigger tanks. The Group is developing its composite capabilities to build telecommunication towers, light poles and other composites product to replace the revenue lost.

b) Operation & maintenance

The Operation & Maintenance contributed RM1.08 million or 23% from the total Group revenue. The revenue has increased 13% from the previous corresponding period. This segment has a potential growth in its revenue contribution from new additional services provided to the customers such as grease trap system and pest control services.

c) Solid Waste Management

The Solid Waste Management was the largest revenue contributor for the Group revenue with 48% contribution. The steady revenue is from solid waste collection contract from Alam Flora Sdn Bhd and Vale Malaysia.

d) Construction & project

The Construction & Project segment revenue contributed 17% from the total Group revenue and there was a reduction of 34% compared to previous corresponding period due to delay in project kick-off for Felda Serting project. This project is however is expected to generate revenue for the Group in April 2018.

PART B - OTHER EXPLANATORY NOTES

As at 31 December 2017 (Continued)

B2. VARIATION OF RESULTS AGAINST THE PRECEDING QUARTER

	Quarter To Date 31-Dec-17 RM000	Quarter To Date 30-Sep-17 RM000	Variance Amount RM000	Variance % +/(-)
Revenue				
Manufacturing & Trading	43	138	(95)	-69%
Operation & Maintenance	410	222	188	85%
Solid Waste Management	580	574	6	1%
Construction & Project	90	421	(331)	-79%
	1,123	**1,355**	**(232)**	**-17%**
Segment results				
Manufacturing & Trading	(112)	(1,093)	981	90%
Operation & Maintenance	6	(131)	137	105%
Solid Waste Management	(140)	(109)	(31)	-28%
Construction & Project	(187)	3	(190)	6333%
Corporate holding	(220)	(210)	(10)	-5%
Loss from operations	**(653)**	**(1,540)**	**887**	**136%**
Finance costs	(1)	32	(33)	103%
Loss before taxation	(654)	(1,508)	854	57%
Tax expense	-	(12)	12	
Loss after taxation	**(654)**	**(1,520)**	**866**	**132%**
Non-controlling interest	(19)	-	(19)	
Loss attributable to owners of the parent	**(635)**	**(1,520)**	- **885**	**58%**

2.1 Group and Segment Analysis

<u>Group Analysis</u>

The Group revenue for the fourth quarter has reduced by RM0.232 million or 17% from the third quarter of RM1.355 million. The lower revenue mainly attributable by the manufacturing division and construction division which their revenue contributions had declined by 69% and 79% respectively.

The Group recorded a pretax loss of RM0.654 million against pretax loss of RM1.508 million in previous quarter.

PART B - OTHER EXPLANATORY NOTES
As at 31 December 2017 (Continued)

B2. VARIATION OF RESULTS AGAINST THE PRECEDING QUARTER (CONTINUED)

2.1 Group and Segment Analysis (continued)

Segment Analysis

a) Manufacturing and Trading

This segment has shown a significant reduction of loss mainly due to expenses related to disposal of land was fully recognized in the third quarter.

b) Operation & maintenance

The revenue has increased by 85% from the preceding quarter due to new corrective work contracts.

c) Solid Waste Management

This segment remains a constant result for both third and fourth quarter.

d) Construction & project

This segment recorded lower revenue by 79% compared to the preceding quarter due to delay in project kick-off for Felda Serting project.

B3. PROSPECT

Barring any unforeseen circumstances, The Group and the Directors expect higher revenue generated from the engineering and construction segment through realization of Felda project by early April 2018. The Group also expected steady revenue from waste management services, service and maintenance of FRP tanks business segment and industrial solution pest control to continue contributing to the Group’s revenue.

The Group also aims to develop its composite capabilities in fabrication of telecommunication towers, decorative light poles and other FRP products and focus on new area of growth in waste management services and embark in commodity trading business through its resources segment.

PART B - OTHER EXPLANATORY NOTES
As at 31 December 2017 (Continued)

B4. VARIANCE OF ACTUAL AND FORECAST PROFIT

The Group did not issue any profit forecast or profit guarantee for the financial period.

B5. TAXATION

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

B6. UNQUOTED INVESTMENT AND/OR PROPERTIES

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

B7. CORPORATE PROPOSAL

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

B8. BORROWINGS

As at 31 December 2017, the Group has the following borrowings, which are denominated in Ringgit Malaysia from a local financial institution:-

	Total RM'000
Current	
Hire purchase	59

B9. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group's derivative financial instruments as at the date of the report are disclosed in Note A17.

PART B - OTHER EXPLANATORY NOTES

As at 31 December 2017 (Continued)

B10. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFIT AND LOSS

This information has been properly compiled, in all material aspects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia.

The accumulated losses of the Group are disclosed as follows:

	As at 31 Dec 2017 RM'000	As at 31 Dec 2016 RM'000
Total accumulated losses		
of the Company and its subsidiaries		
subsidiaries		
- realised	(27,648)	(22,554)
- unrealised	50	50
	(27,598)	(22,504)
Less : Consolidated adjustments	-	-
Total Group accumulated losses as per consolidated account	**(27,598)**	**(22,504)**

B11. "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.

PART B - OTHER EXPLANATORY NOTES
As at 31 December 2017 (Continued)

B12. CHANGES IN MATERIAL LITIGATION

i. PJBumi Services Sdn Bhd ("**PJBS**"), a wholly owned subsidiary of PJBumi was served with a statement of claim filed with the Kuala Lumpur Session Court dated 18 December 2015 by Lembaga Kumpulan Wang Simpanan Pekerja ("**EPF**"). EPF claims for the outstanding contributions for employees in PJBS for the period of June 2006 to August 2007 and October 2007 to January 2008 together with interest and dividend for the sum of RM409,547 which was later amended orally by EPF to RM351,617. The Kuala Lumpur Session Court granted its decision on 15 December 2016 where EPF's claim was dismissed. EPF has filed an appeal to the High Court and again on 7 July 2017, EPF's claim was dismissed. EPF is now appealing to the Court of Appeal and the same is fixed for next case management on 28 February 2018.

ii. Pjbumi Composites Sdn Bhd)"PJBC"), a wholly owned subsidiary of PJBumi was served on 5 February 2018 with a winding-up petition by Lembaga Hasil Dalam Negeri ("LHDN") for and on behalf of Government of Malaysia ("Petitioner" or "GOM"). The Petitioner claims that as at 21 August 2017, the accrued balance on income tax is RM2,082,434.00 and interest will be charged at 4% per annum from the date of judgement until full settlement and cost of RM6,563.00. The Company had sought legal advice on this matter and our Solicitor will represent the Company for the case management for this winding-up proceeding on 13 March 2018.

PART B - OTHER EXPLANATORY NOTES

As at 31 December 2017 (Continued)

B13. EARNING 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.

The following reflect the profit/loss 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	31-Dec	31-Dec	31-Dec
	2017	2016	2017	2016
Loss net of tax attributable to owners				
of the parent in the				
computation of earnings per share (RM'000)	(635)	713	(5,094)	(1,446)
Weighted average number of ordinary				
share in issue ('000)	82,000	50,000	82,000	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)	82,000	50,000	82,000	50,000
Basic earning per share (sen per share)	(0.77)	1.43	(6.21)	(2.89)
Diluted earning per share (sen per share)	NA	NA	NA	NA

NA - Not applicable.

By Order of the Board

Secretary