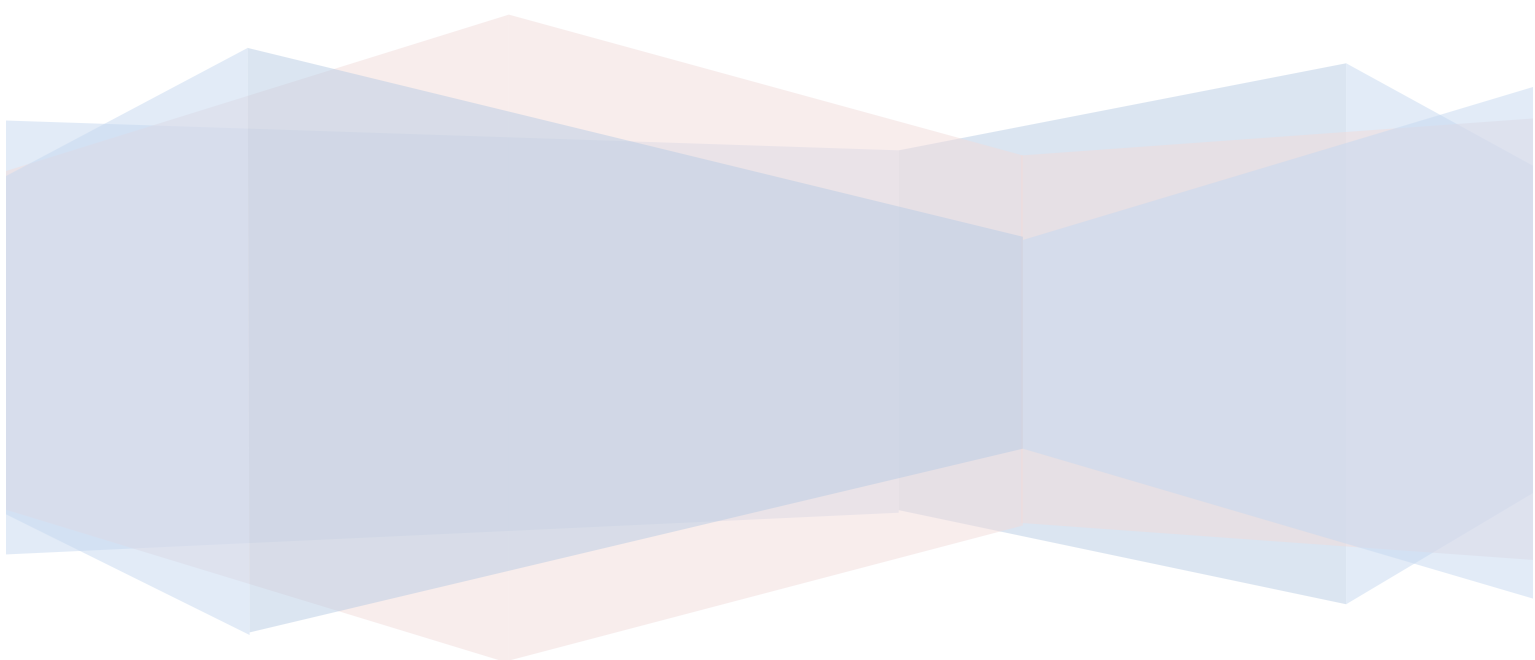


PJBUMI BERHAD

Quarterly Report

For Third Quarter Ended

30 September 2019



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 30 September 2019 which should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attach to these interim financial reports.

Condensed Consolidated Interim Financial Statements

For the three-month period ended 30 September 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		30-Sep 2019 Unaudited RM'000	30-Sep 2018 Audited RM'000	30-Sep 2019 Unaudited RM'000	30-Sep 2018 Audited RM'000
Revenue	A10.1	727	1,175	8,684	3,328
Cost of sales		(374)	(965)	(7,137)	(2,019)
Gross profit		353	210	1,547	1,309
Other income		130	1,130	396	1,926
Administrative expenses		(451)	(917)	(1,521)	(3,190)
Other operating expenses		-	-	-	(13)
Operating profit		32	423	422	32
Finance costs		-	-	-	(1)
Profit before tax		32	423	422	31
Income tax expenses		-	-	-	-
Net profit, total comprehensive profit for the period		32	423	422	31
Net profit, total comprehensive for the period attributable to:					
Equity holders of the company		32	447	422	55
Non-controlling interests		-	(24)	-	(24)
		32	423	422	31
Basic earnings per share attributable to shareholders of the company (sen per share)					
Basic	B13	0.04	0.55	0.51	0.07

Condensed Consolidated Interim Financial Statements

As at 30 September 2019

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Note	30-Sep 2019 Unaudited RM'000	31-Dec 2018 Audited RM'000
Asset		
Non-current assets		
Property, plant and equipment	123	145
Investment properties	10,655	10,655
Deferred tax assets	184	184
Goodwill	15,313	15,313
	26,275	26,297
Current assets		
Inventories	213	213
Trade and other receivables	10,855	9,763
Cash and cash equivalents	177	159
	11,245	10,135
Total assets	37,520	36,432

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attach to these interim financial reports.

Condensed Consolidated Interim Financial Statements

As at 30 September 2019

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Note	30-Sep 2019 Unaudited RM'000	31-Dec 2018 Audited RM'000
Equity and liabilities		
Equity		
Share capital	44,473	44,473
Reserve	4,775	4,775
Accumulated losses	(26,733)	(27,155)
Equity attributable to the owners of the Company	22,515	22,093
Non-controlling interest	221	221
Total equity	22,736	22,314
Non current liabilities		
Deferred tax liabilities	140	140
Current liabilities		
Trade and other payables	9,096	8,430
Income tax payable	5,548	5,548
	14,644	13,978
Total liabilities	14,784	14,118
Total equity and liabilities	37,520	36,432

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attach to these interim financial reports.

Condensed Consolidated Interim Financial Statements

For the year ended 30 September 2019

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent								Total Equity RM'000
	Distributable/(Non-distributable)						Non		
	Note	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total RM'000	controlling interest RM'000	
At 1 January 2019		44,473	-	4,694	81	(27,155)	22,093	221	22,314
Profit for the period		-	-	-	-	422	422	-	422
At 30 September 2019		44,473	-	4,694	81	(26,733)	22,515	221	22,736
At 1 January 2018		44,473	-	4,694	81	(27,416)	21,832	246	22,078
Profit/(Loss) for the period						55	55	(24)	31
At 30 September 2018		44,473	-	4,694	81	(27,361)	21,887	222	22,109

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 2018 and the accompanying explanatory notes attach to these interim financial reports.

Condensed Consolidated Interim Financial Statements

For the year ended 30 September 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	9 months ended	
		30-Sep-19	30-Sep-18
		Unaudited RM'000	Audited RM'000
Operating activities			
Profit before tax		422	31
Adjustments for:			
Depreciation of property, plant and equipment		22	8
Loss on disposal of property, plant and equipment		-	13
Property, plant and equipment written off		-	7
Interest expenses		-	1
Total adjustment		22	29
Operating profit before changes in working capital		444	60
<u>Changes in working capital</u>			
Increase in inventories		-	(35)
Increase in receivables, deposit and prepayments		(1,092)	(798)
Increase in payables and accruals		596	455
Increase in amount due to director		70	155
Cash generated/(used in) from operations		18	(163)
Interest paid		-	(1)
Tax paid		-	(391)
		-	(392)
Net cash generated/(used in) from operations carried forward		18	(555)

These condensed consolidated of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial reports.

Condensed Consolidated Interim Financial Statements

For the year ended 30 September 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	9 months ended	
		30-Sep-19 Unaudited RM'000	30-Sep-18 Audited RM'000
Net cash generated/(used in) from operations brought forward		18	(555)
Investing activities			
Proceeds from sale of property, plant and equipment		-	63
Acquisition of property, plant and equipment		-	(3)
Net cash generated from investing activities		-	60
Financing activities			
Net repayment of hire purchase creditors		-	(10)
Net cash used in from financing activities		-	(10)
Net increase/(decrease) in cash and cash equivalents		18	(505)
Cash and cash equivalents at 1 January		159	638
Cash and cash equivalents at 30 September		177	133

These condensed consolidated of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial reports.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**As at 30 September 2019****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 28 November 2019.

A2. BASIS OF PREPARATION

These condensed consolidated interim financial statements, for the period ended 30 September 2019, 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 2018 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 30 September 2019.

A3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the same 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 2018.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**As at 30 September 2019 (Continued)****A3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

As of 1 January 2019, the Group has adopted the following MFRS and Amendments to MFRSs and Annual Improvement to Standards

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

- MFRS 16 Leases
- Amendments to MFRS 3 Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 9 Financial Instruments – Prepayment Features with Negative Comparison
- Amendments to MFRS 11 Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 112 Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 123 Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 128 Investments in Associates and Joint Ventures - Long- term Interests in Associates and Joint Ventures
- IC Interpretation 23 Uncertainty over Income Tax Treatments
- Amendments to MFRS 119, Employee Benefits - Plan, Amendment, Curtailment or Settlement.

The initial application on the above pronouncements will have no material impact on the financial statements of the Group.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**As at 30 September 2019 (Continued)****A3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, Insurance Contracts

Amendments to MFRSs effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures Sales or Contribution of Assets between an Investor and its Associate and Joint Venture.

The Group and the Company will apply the above MFRSs, Amendments and Interpretations that are applicable once they become effective. The initial application of application of the above MFRSs, Amendments and Interpretations is not expected to have any significant impact on the financial statements of the Group and the Company

A4. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of PJBUMI and its subsidiaries for the year ended 31 December 2018 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 30 September 2019 (Continued)****A6. 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.

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

A9. DIVIDEND

No interim ordinary dividend has been declared for the financial period ended 30 September 2019 (30 September 2018: 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 30 September 2019 (Continued)****A10. SEGMENTAL INFORMATION (CONTINUED)**

A10.1 The Group's segmental report for the current quarter ended 30 September 2019 is as follows:

	Manufacturing & Trading	Operation, Maintenance & design	Waste Management Services	Corporate holding	Construction & Project	Resources & Commodity Trading	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
Revenue								
External	-	218	509	-	-	-	-	727
Inter-segment revenue	-	-	-	120	-	-	(120)	-
External	18	1500	510	120	-	-	(120)	727
Segment Results								
Profit/(Loss) from operations	5	51	103	24	(47)	(104)	-	32
Finance costs	-	-	-	-	-	-	-	-
Profit/(Loss) before taxation	5	51	103	24	(47)	(104)	-	32
Tax Expense	-	-	-	-	-	-	-	-
Net profit/(loss) after taxation	5	51	103	24	(47)	(104)	-	32
attributable to:								
Equity holders of the company								32
Non-controlling interest								-
Net profit for the period								32

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

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.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 30 September 2019 (Continued)

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 2018.

A14. CHANGES IN COMPOSITION OF THE GROUP

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

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 B - OTHER EXPLANATORY NOTES**As at 30 September 2019****B1. REVIEW OF GROUP PERFORMANCE**

	Types of goods & services	Current Year To Date	Preceding Year Corresponding Period	Variance Amount	Variance %
		30-Sep-19	30-Sep-18	RM000	+ / (-)
Revenue		RM000	RM000	RM000	
Manufacturing & Trading	Environmental	37	104	(67)	-64%
Operation & Maintenance contract	Environmental	1,865	1,009	856	85%
Waste Management contract	Environmental	1,508	1,765	(257)	-15%
Commodity Trading	Environmental	5,274	450	4,824	1072%
		8,684	3,328	5,356	161%
Segment results					
Manufacturing & Trading		(108)	614	(722)	-118%
Operation & Maintenance contract		310	451	(141)	-31%
Waste Management contract		148	(130)	278	214%
Construction & Project		(60)	(418)	358	86%
Commodity Trading		105	(76)	181	238%
Corporate holding		27	(409)	436	107%
Profit from operations		422	32	390	1219%
Finance costs		-	(1)	1	-100%
Profit before taxation		422	31	391	1261%
Tax expense		-	-	-	-
Net profit, total comprehensive		422	31	391	1261%
loss attributable to :					
Equity holders of the company		422	55		
Non-controlling interest		-	(24)		
		422	31		

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 30 September 2019****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) Undertake works for civil, mechanical, electrical and erection engineering.
- e) Commodity trading.
- f) Management services and investment holding.

1.2 Group and segment Analysis**Group Analysis**

The Group has recorded revenue of RM8.684 million, which is approximately RM5.356 million or 161% higher compared to previous year's corresponding period of RM3.328 million. The increase in revenue mainly attributable by the commodity trading in palm oil sector and new corrective works for sewage and waste water treatment plants.

The Group recorded a pretax profit of RM0.422 million against RM0.031 million pretax profit in the previous year's corresponding period. This were mainly due to the followings:

- i. Reduction in employee benefits expenses by RM0.659 million or 41%.
The total number of employees of the Group at the current quarter was 32 (September 2018: 48)
- ii. Reduction in administrative expenses by RM1.023 million or 63% due to cost cutting measurement and prudent spending.

PART B - OTHER EXPLANATORY NOTES**As at 30 September 2019 (Continued)****B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)****1.2 Group and Segment Analysis (continued)****Segment Analysis****a) Manufacturing and Trading**

For the current period ended 30 September 2019, the Manufacturing and Trading segment contributed minimal revenue to the total Group revenue compared to 3% contribution in previous year. This was due to further delay in product certifications by IKRAM for bigger tanks.

b) Operation & maintenance

The Operation & Maintenance contributed RM1.865 million or 21% from the Group total revenue. The revenue has increased 85% from the previous corresponding period due to new orders received for corrective works and refurbishment of old waste water treatment plants.

c) Solid Waste Management

The Solid Waste Management contributed 17% from the Group revenue compared to 53% from the previous corresponding period. The revenue however was lower due to contract with Vale Minerals (M) Sdn Bhd has ended in January 2019. This segment is targeting to secure additional areas for waste management contract in central region by first quarter next year.

d) Construction & project

The Construction & Project segment has not contributed any revenue to the Group in the current quarter due to delay in Felda Seriting project.

e) Commodity Trading

This segment was the largest revenue contributor for the Group revenue with 61% contribution. This division is expecting to increase in volume of trading in palm oil related products by first quarter 2020.

PART B - OTHER EXPLANATORY NOTES

As at 30 September 2019 (Continued)

B2. VARIATION OF RESULTS AGAINST THE PRECEDING QUARTER

	Types of goods & services	Quarter To	Quarter To	Variance	Variance
		Date	Date	Amount	%
		30-Sep-19	30-Jun-19		
		RM000	RM000	RM000	+ / (-)
Revenue					
Manufacturing & Trading	Environmental	-	18	(18)	-100%
Operation & Maintenance contract	Environmental	218	1,500	(1,282)	-85%
Waste Management contract	Environmental	509	510	(1)	-0.2%
Construction & Project	Environmental	-	-	-	-100%
Commodity Trading	Environmental	-	1,224	(1,224)	-100%
		727	3,252	(2,525)	-78%
Segment results					
Manufacturing & Trading		(38)	(38)	-	0%
Operation & Maintenance contract		51	305	(254)	-83%
Waste Management contract		103	129	(26)	-20%
Construction & Project		(4)	24	(28)	-117%
Commodity Trading		(104)	(39)	(65)	-167%
Corporate holding		24	(61)	85	139%
Profit from operations		32	320	(288)	-90%
Finance costs		-	-	-	-
Profit before taxation		32	320	(288)	-90%
Tax expense		-	-	-	-
Net profit, total comprehensive profit attributable to :		32	320	(288)	-90%
Equity holders of the company		32	320		
Non-controlling interest		-	-		
		32	320		

2.1 Group and Segment Analysis**Group Analysis**

The Group total revenue for the 3rd quarter 2019 has decreased by RM2.525 million or 78% from the preceding quarter of RM3.252 million. The decrease in revenue mainly attributable by commodity trading division.

The Group recorded a lower pretax profit of RM0.032 million against a pretax profit of RM0.320 million in the previous quarter.

PART B - OTHER EXPLANATORY NOTES

As at 30 September 2019 (Continued)

B2. VARIATION OF RESULTS AGAINST THE PRECEDING QUARTER (CONTINUED)**2.1 Group and Segment Analysis (continued)****Segment Analysis****a) Manufacturing and Trading**

There was no revenue contribution for this segment in this current quarter. This segment however anticipates to receive orders from previous customers by next year.

b) Operation & maintenance

The revenue has decrease by RM1.282 million from the preceding quarter mainly due to all projects has been completed and billed. This division has planned to work closely with Department of Environment (DOE) in terms of supporting this division to create environmental awareness for our current and previous clients. This division targeted to revisit previously installed underground sewerage treatment plants and proposed for plant condition audit. This division has started to revisit all previous clients in stages since October 2019.

c) Solid Waste Management

This segment has recorded a steady revenue compared to the preceding quarter.

d) Commodity Trading

This segment has recorded a decrease in revenue by RM1.224 million or 100% from the previous quarter due no orders in trading of cooking oil product. This segment recorded a pretax loss of RM0.104 million in the current quarter against a pretax loss of RM0.039 million in the preceding quarter.

PART B - OTHER EXPLANATORY NOTES**As at 30 September 2019 (Continued)****B3. PROSPECT**

Barring any unforeseen circumstances, The Group and the Board of Directors expect a slower revenue generated until 4th quarter this year. The revenue trend is expected to hike up starting 1st quarter 2020 onwards from the engineering and construction (“EC”) segment and services & maintenance segment through oil & gas sector, marine related maintenance & services works and installation of telecommunication towers. The Group also expected steady revenue from waste management services, and commodity trading segment to continue contributing to the Group’s revenue.

The Group also developing its composite capabilities in fabrication of offshore aqua cage tanks, small tubular telecommunication towers, decorative light poles and other FRP products and focus on new area of growth in waste management services.

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 for the current quarter under review.

B8. BORROWINGS

There was no borrowing for the Group during the current financial quarter.

PART B - OTHER EXPLANATORY NOTES**As at 30 September 2019 (Continued)****B9. DISCLOSURE OF GAINS/(LOSSES) ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

The Group did not have any financial liabilities measured at fair value through profit or loss as at 30 September 2019.

B10. “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.

B11. CHANGES IN MATERIAL LITIGATION

- i. 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. On 10 October 2018, the Honorable Court of Appeal has rejected PJBC’s stay application.

The Winding Up Order has been granted against PJBC and PJBC's appeal on stay application was dismissed by the Court of Appeal on 10 October 2018. Now PJBC has submitted a proposal repayment scheme for creditors and this proposal will be presented after the appointment of Official Receiver Manager or Liquidator.

The appointment of a Liquidator has been scheduled for a case management on 2 December 2019.

PART B - OTHER EXPLANATORY NOTES**As at 30 September 2019 (Continued)****B12. 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		9 months ended	
	30-Sep 2019	30-Sep 2018	30-Sep 2019	30-Sep 2018
Profit net of tax attributable to owners of the parent in the computation of earnings per share (RM'000)	32	447	422	55
Weighted average number of ordinary share in issue ('000)	82,000	82,000	82,000	82,000
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	82,000	82,000	82,000
Basic earning per share (sen per share)	0.04	0.55	0.51	0.07
Diluted earning per share (sen per share)	NA	NA	NA	NA

NA - Not applicable.

By Order of the Board

Secretary