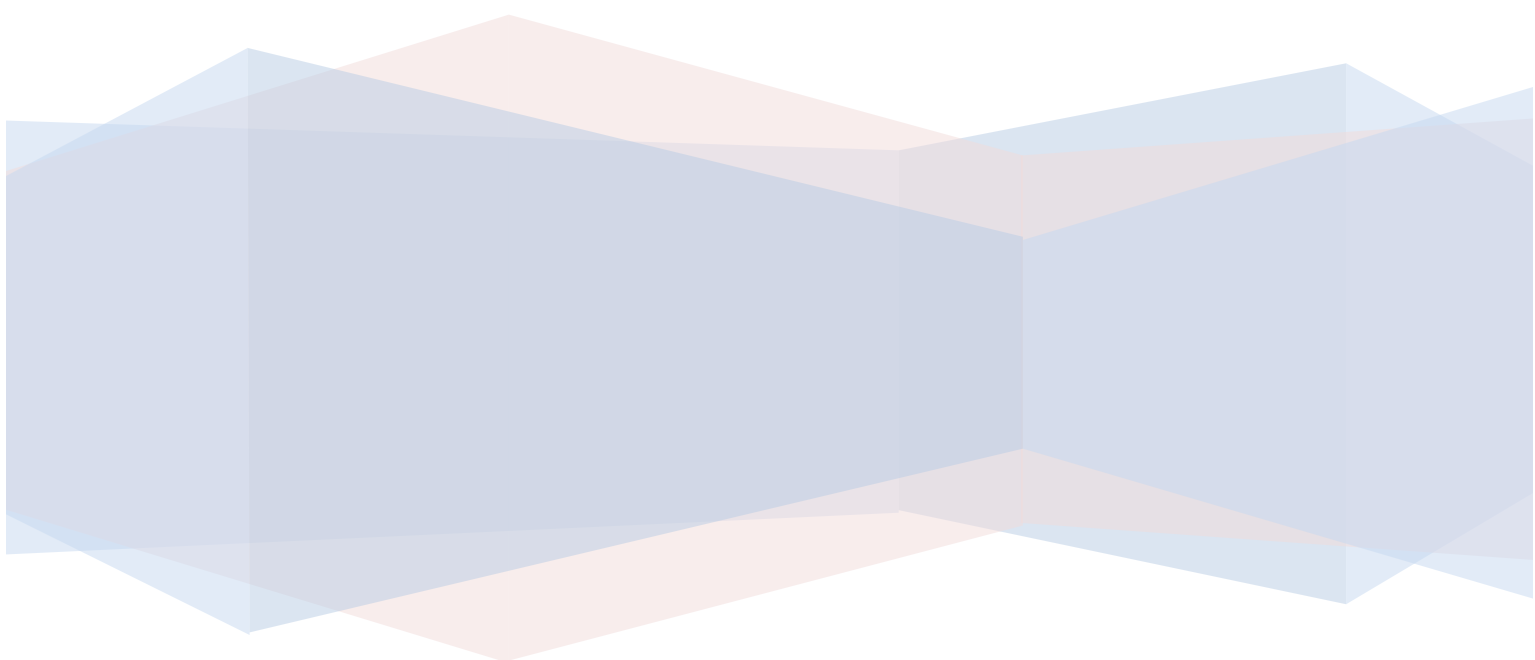


PJBUMI BERHAD

Quarterly Report

For Fourth Quarter Ended

31 December 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 31 December 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 31 December 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31-Dec 2019	31-Dec 2018	31-Dec 2019	31-Dec 2018
		Unaudited RM'000	Audited RM'000	Unaudited RM'000	Audited RM'000
Revenue	A10.1	3,948	1,698	12,632	5,025
Cost of sales		(3,666)	(516)	(11,073)	(2,522)
Gross profit		282	1,182	1,559	2,503
Other income		379	266	774	823
Administrative expenses		(415)	(664)	(1,936)	(3,283)
Other operating expenses		(84)	-	(84)	-
Operating profit		162	784	313	43
Finance costs		-	-	-	(1)
Profit before tax		162	784	313	42
Income tax expenses		-	194	-	194
Net profit, total comprehensive profit for the period		162	978	313	236
Net profit, total comprehensive for the period attributable to:					
Equity holders of the company		163	979	314	261
Non-controlling interests		(1)	(1)	(1)	(25)
		162	978	313	236
Basic earnings per share attributable to shareholders of the company (sen per share)					
Basic	B13	0.20	1.19	0.38	0.32

Condensed Consolidated Interim Financial Statements

As at 31 December 2019

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Note	31-Dec 2019 Unaudited RM'000	31-Dec 2018 Audited RM'000
Asset		
Non-current assets		
Property, plant and equipment	112	145
Investment properties	10,655	10,655
Deferred tax assets	184	184
Goodwill	15,313	15,313
	26,264	26,297
Current assets		
Inventories	167	213
Trade and other receivables	9,384	9,763
Cash and cash equivalents	195	159
	9,746	10,135
Total assets	36,010	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 31 December 2019

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Note	31-Dec 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	(26,842)	(27,155)
Equity attributable to the owners of the Company	22,406	22,093
Non-controlling interest	221	221
Total equity	22,627	22,314
Non current liabilities		
Deferred tax liabilities	140	140
Current liabilities		
Trade and other payables	7,695	8,430
Income tax payable	5,548	5,548
	13,243	13,978
Total liabilities	13,383	14,118
Total equity and liabilities	36,010	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 31 December 2019

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent								Total Equity RM'000
	Distributable/(Non-distributable)							Non controlling interest RM'000	
	Note	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total RM'000		
At 1 January 2019		44,473	-	4,694	81	(27,155)	22,093	221	22,314
Profit for the period		-	-	-	-	313	313	-	313
At 31 December 2019		44,473	-	4,694	81	(26,842)	22,406	221	22,627
At 1 January 2018		44,473	-	4,694	81	(27,416)	21,832	246	22,078
Profit/(Loss) for the period						261	261	(25)	236
At 31 December 2018		44,473	-	4,694	81	(27,155)	22,093	221	22,314

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 31 December 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	12 months ended	
		31-Dec-19	31-Dec-18
		Unaudited RM'000	Audited RM'000
Operating activities			
Profit before tax		313	42
Adjustments for:			
Depreciation of property, plant and equipment		33	24
Loss on disposal of property, plant and equipment		-	13
Property, plant and equipment written off		-	7
Interest expenses		-	1
Total adjustment		33	45
Operating profit before changes in working capital		346	87
<u>Changes in working capital</u>			
Decrease/(Increase) in inventories		46	(35)
Decrease in receivables, deposit and prepayments		379	39
Decrease in payables and accruals		(855)	(377)
Increase in amount due to director		120	155
Cash generated/(used in) from operations		36	(131)
Interest paid		-	(1)
Tax paid		-	(348)
		-	(349)
Net cash generated/(used in) from operations carried forward		36	(480)

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 31 December 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	12 months ended	
		31-Dec-19 Unaudited RM'000	31-Dec-18 Audited RM'000
Net cash generated/(used in) from operations brought forward		36	(480)
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		-	(59)
Net cash used in from financing activities		-	(59)
Net increase/(decrease) in cash and cash equivalents		36	(479)
Cash and cash equivalents at 1 January		159	638
Cash and cash equivalents at 31 December		195	159

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 31 December 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 27th February 2020.

A2. BASIS OF PREPARATION

These condensed consolidated interim financial statements, for the period ended 31 December 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 31 December 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 31 December 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 31 December 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 31 December 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 31 December 2019 (31 December 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 31 December 2019 (Continued)****A10. SEGMENTAL INFORMATION (CONTINUED)**

A10.1 The Group's segmental report for the current quarter ended 31 December 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	9	3,600	339	-	-	-	-	3,948
Inter-segment revenue	-	-	-	120	-	-	(120)	-
Segment Results	9	3,600	339	120	-	-	(120)	3,948
Profit/(Loss) from operations	6	52	(15)	(4)	191	(68)	-	162
Finance costs	-	-	-	-	-	-	-	-
Profit/(Loss) before taxation	6	52	(15)	(4)	191	(68)	-	162
Tax Expense	-	-	-	-	-	-	-	-
Net profit/(loss) after taxation	6	52	(15)	(4)	191	(68)	-	162
attributable to:								
Equity holders of the company								163
Non-controlling interest								(1)
Net profit for the period								162

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 31 December 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 31 December 2019

B1. REVIEW OF GROUP PERFORMANCE

	Types of goods & services	Current	Preceding	Variance Amount	Variance %
		Year To Date 31-Dec-19	Year Corresponding Period 31-Dec-18		
		RM000	RM000	RM000	+ / (-)
Revenue					
Manufacturing & Trading	Environmental	46	710	(664)	-94%
Operation & Maintenance contract	Environmental	5,465	1,324	4,141	313%
Waste Management contract	Environmental	1,847	2,518	(671)	-27%
Construction & Project	Environmental	-	23	(23)	-100%
Commodity Trading	Environmental	5,274	450	4,824	100%
		12,632	5,025	7,607	151%
Segment results					
Manufacturing & Trading		(102)	478	(580)	-121%
Operation & Maintenance contract		92	491	(399)	-81%
Waste Management contract		133	(27)	160	593%
Construction & Project		130	(501)	631	126%
Commodity Trading		37	(91)	128	141%
Corporate holding		23	(307)	330	107%
Profit from operations		313	43	270	-628%
Finance costs		-	(1)	1	100%
Profit before taxation		313	42	271	645%
Tax expense		-	194	(194)	-
Net profit, total comprehensive		313	236	77	33%
loss attributable to :					
Equity holders of the company		314	261		
Non-controlling interest		(1)	(25)		
		313	236		

1.1 Segment Background

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

- Manufacturing and sale of Fibre Reinforced plastic ('FRP'), FRP waste water treatment plant and other FRP products.
- Solid waste management and garbage collection, area cleansing and other related business.

PART B - OTHER EXPLANATORY NOTES**As at 31 December 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 RM12.632 million, which is approximately RM7.607 million or 151% higher compared to previous year's corresponding period of RM5.025 million. The increase in revenue mainly attributable by the commodity trading in palm oil sector and new corrective works for wastewater treatment plants and cooking oil factory.

The Group recorded a pretax profit of RM0.313 million against RM0.236 million pretax profit in the previous year's corresponding period. This were mainly due to the followings:

- i. Reduction in employee benefits expenses by RM0.706 million or 37%.
The total number of employees of the Group at the current quarter was 22 (December 2018: 41)
- ii. Reduction in legal & professional fee by RM0.288 million or 76%
- iii. Reduction in administrative expenses by RM0.608 million or 36% due to cost cutting measurement and prudent spending.

PART B - OTHER EXPLANATORY NOTES**As at 31 December 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 31 December 2019, the Manufacturing and Trading segment contributed minimal revenue to the total Group revenue compared to 14% contribution in previous year.

b) Operation & maintenance

The Operation & Maintenance was the largest revenue contributor for the Group revenue. This segment contributed RM5.465 million or 43% from the Group total revenue. The revenue has increased 313% from the previous corresponding period due new orders received for refurbishment of old waste water treatment plants and or corrective works for cooking oil factory.

c) Solid Waste Management

The Solid Waste Management contributed 15% from the Group revenue compared to 50% from the previous corresponding period. The revenue however was lower due to collection contract with Alam Flora Sdn Bhd has ended in November 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 Serting project.

e) Commodity Trading

This segment contributed RM5.274 million or 42% from the Group total revenue. 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 31 December 2019 (Continued)

B2. VARIATION OF RESULTS AGAINST THE PRECEDING QUARTER

	Types of goods & services	Quarter To	Quarter To	Variance	Variance
		Date	Date	Amount	%
		31-Dec-19	30-Sep-19	RM000	+ / (-)
Revenue					
Manufacturing & Trading	Environmental	9	-	9	100%
Operation & Maintenance contract	Environmental	3,600	218	3,382	1551%
Waste Management contract	Environmental	339	509	(170)	-33.4%
Construction & Project	Environmental	-	-	-	0%
Commodity Trading	Environmental	-	-	-	0%
		3,948	727	3,221	443%
Segment results					
Manufacturing & Trading		6	(38)	44	116%
Operation & Maintenance contract		52	51	1	2%
Waste Management contract		(15)	103	(118)	-115%
Construction & Project		191	(4)	195	4875%
Commodity Trading		(68)	(104)	36	35%
Corporate holding		(4)	24	(28)	-117%
Profit from operations		162	32	130	406%
Finance costs		-	-	-	-
Profit before taxation		162	32	130	406%
Tax expense		-	-	-	-
Net profit, total comprehensive		162	32	130	406%
profit attributable to :					
Equity holders of the company		163	32		
Non-controlling interest		(1)	-		
		162	32		

2.1 Group and Segment Analysis**Group Analysis**

The Group total revenue for the 4th quarter 2019 has increased by RM3.221 million or 443% from the preceding quarter of RM0.727 million. The increase in revenue mainly attributable by project completion in Operation & maintenance division.

The Group recorded a slightly higher pretax profit of RM0.162 million against a pretax profit of RM0.032 million in the previous quarter.

PART B - OTHER EXPLANATORY NOTES

As at 31 December 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 receiving orders from previous customers by next year.

b) Operation & maintenance

The revenue has increase by RM3.382 million from the preceding quarter mainly due to project completion for refurbishment of old waste water plant and corrective works for cooking oil factory. 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 has started to revisit previously installed underground sewerage treatment plants and proposed for plant condition audit.

c) Solid Waste Management

This segment has recorded lower revenue by RM0.170 million or 33% compared to the preceding quarter. This was due to collection contract with Alam Flora Sdn Bhd has ended in November 2019.

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 lower pretax loss of RM0.068 million in the current quarter against a pretax loss of RM0.104 million in the preceding quarter.

PART B - OTHER EXPLANATORY NOTES**As at 31 December 2019 (Continued)****B3. PROSPECT**

Barring any unforeseen circumstances, The Group and the Board of Directors expect a slower revenue generated until 1st quarter next year due to unexpected delay in contract finalization. The revenue trend is expected to hike up at the beginning of 2nd 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 new revenue generated from waste management services, and commodity trading segment to continue contributing to the Group’s revenue.

The Group also still 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 31 December 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 31 December 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.

The official Liquidator has been appointed on 18 December 2019.

PART B - OTHER EXPLANATORY NOTES**As at 31 December 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		12 months ended	
	31-Dec 2019	31-Dec 2018	31-Dec 2019	31-Dec 2018
Profit net of tax attributable to owners of the parent in the computation of earnings per share (RM'000)	163	979	314	261
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)	0.20	1.19	0.38	0.32
Diluted earning per share (sen per share)	NA	NA	NA	NA

NA - Not applicable.

By Order of the Board

Secretary