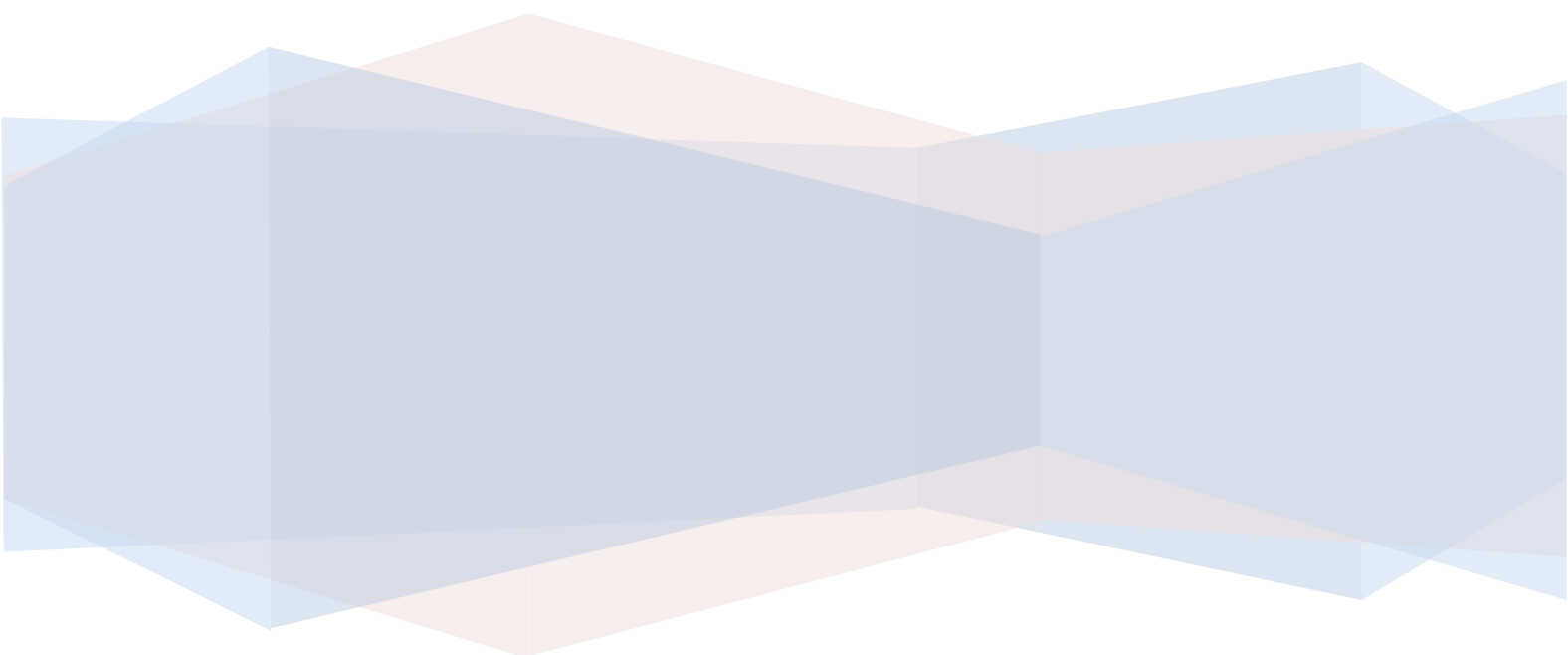


PJBUMI BERHAD

Quarterly Report

For Second Quarter Ended

30 June 2020



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 June 2020 which should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attach to these interim financial reports.

Condensed Consolidated Interim Financial Statements

For the three-month period ended 30 June 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30-Jun 2020	30-Jun 2019	30-Jun 2020	30-Jun 2019
		Unaudited RM'000	Audited RM'000	Unaudited RM'000	Audited RM'000
Revenue	A10.1	2,246	3,252	10,537	7,957
Cost of sales		(2,068)	(2,577)	(9,843)	(6,763)
Gross profit		178	675	694	1,194
Other income		137	74	274	266
Administrative expenses		(303)	(429)	(707)	(1,070)
Other operating expenses		-	-	-	-
Operating profit		12	320	261	390
Finance costs		-	-	-	-
Profit before tax		12	320	261	390
Income tax expenses		-	-	-	-
Net profit, total comprehensive profit for the period		12	320	261	390
Net profit, total comprehensive for the period attributable to:					
Equity holders of the company		12	320	261	390
Non-controlling interests		-	-	-	-
		12	320	261	390
Basic earnings per share attributable to shareholders of the company (sen per share)					
Basic	B12	0.01	0.39	0.32	0.48

Condensed Consolidated Interim Financial Statements

As at 30 June 2020

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Note	30-Jun 2020 Unaudited RM'000	31-Dec 2019 Audited RM'000
Asset		
Non-current assets		
Property, plant and equipment	49	59
Investment properties	10,708	10,708
Deferred tax assets	184	184
Goodwill	15,313	15,313
	26,254	26,264
Current assets		
Inventories	171	180
Trade and other receivables	10,065	9,370
Cash and cash equivalents	197	195
	10,433	9,745
Total assets	36,687	36,009

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attach to these interim financial reports.

Condensed Consolidated Interim Financial Statements

As at 30 June 2020

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Note	30-Jun 2020 Unaudited RM'000	31-Dec 2019 Audited RM'000
Equity and liabilities		
Equity		
Share capital	44,473	44,473
Reserve	4,775	4,775
Accumulated losses	(26,580)	(26,841)
Equity attributable to the owners of the Company	22,668	22,407
Non-controlling interest	220	220
Total equity	22,888	22,627
Non current liabilities		
Deferred tax liabilities	140	140
Current liabilities		
Trade and other payables	8,111	7,694
Income tax payable	5,548	5,548
	13,659	13,242
Total liabilities	13,799	13,382
Total equity and liabilities	36,687	36,009

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attach to these interim financial reports.

Condensed Consolidated Interim Financial Statements

For the year ended 30 June 2020

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent								
	Distributable/(Non-distributable)							Non controlling interest	Total Equity
	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 2020		44,473	-	4,694	81	(26,841)	22,407	220	22,627
Profit for the period		-	-	-	-	261	261	-	261
At 30 June 2020		44,473	-	4,694	81	(26,580)	22,668	220	22,888
At 1 January 2019		44,473	-	4,694	81	(27,155)	22,093	221	22,314
Profit for the period		-	-	-	-	390	390	-	390
At 30 June 2019		44,473	-	4,694	81	(26,765)	22,483	221	22,704

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 2019 and the accompanying explanatory notes attach to these interim financial reports.

Condensed Consolidated Interim Financial Statements

For the year ended 30 June 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	6 months ended	
		30-Jun-20 Unaudited RM'000	30-Jun-19 Audited RM'000
Operating activities			
Profit before tax		261	390
Adjustments for:			
Depreciation of property, plant and equipment		11	15
Total adjustment		11	15
Operating profit before changes in working capital		272	405
<u>Changes in working capital</u>			
Decrease in inventories		9	-
Increase in receivables, deposit and prepayments		(695)	(6,354)
Increase in payables and accruals		260	5,909
Increase in amount due to director		157	50
Cash generated from operations		3	10
Net cash generated from operations carried forward		3	10

These condensed consolidated of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial reports.

Condensed Consolidated Interim Financial Statements

For the year ended 30 June 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	6 months ended	
		30-Jun-20 Unaudited RM'000	30-Jun-19 Audited RM'000
Net cash generated from operations brought forward		3	10
Investing activities			
Acquisition of property, plant and equipment		(1)	-
Net cash used in from investing activities		(1)	-
Net increase in cash and cash equivalents		2	10
Cash and cash equivalents at 1 January		195	159
Cash and cash equivalents at 30 June		197	169

These condensed consolidated of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial reports.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**As at 30 June 2020****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 28th August 2020.

A2. BASIS OF PREPARATION

These condensed consolidated interim financial statements, for the period ended 30 June 2020, 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 2019 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 June 2020.

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 2019.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**As at 30 June 2020 (Continued)****A3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

As of 1 January 2020, 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 2020

- Amendments to MFRS 3, Business Combination – Definition of a Business
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform
- Amendments to MFRS 101, Presentation of Financial Statements
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material

The initial application on the above pronouncements did not have any significant material impact on the financial statements of the Group.

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

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**As at 30 June 2020 (Continued)****A3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*****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 2019 were not subject to any audit qualification.

A5. SEASONALITY OF OPERATION

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

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.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

As at 30 June 2020 (Continued)

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 June 2020 (30 June 2019: 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 June 2020 (Continued)****A10. SEGMENTAL INFORMATION (CONTINUED)**

A10.1 The Group's segmental report for the current quarter ended 30 June 2020 is as follows:

	Fabrication & 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	-	34	-	-	-	2,212	-	2,246
Inter-segment revenue	-	-	-	-	-	-	-	-
Segment Results	-	34	-	-	-	2,212	-	2,246
(Loss)/Profit from operations	(1)	(37)	(17)	(52)	(3)	122	-	12
Finance costs	-	-	-	-	-	-	-	-
(Loss)/Profit before taxation	(1)	(37)	(17)	(52)	(3)	122	-	12
Tax Expense	-	-	-	-	-	-	-	-
Net (loss)/profit after taxation attributable to:	(1)	(37)	(17)	(52)	(3)	122	-	12
Equity holders of the company								12
Non-controlling interest								-
Net profit for the period								12

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 June 2020 (Continued)

A13. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statement as at and for the year ended 31 December 2019.

A14. CONTINGENCIES

There were no material changes in contingent liabilities or contingent assets since the last audited financial statements for the year ended 31 December 2019.

A15. CHANGES IN COMPOSITION OF THE GROUP

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

A16. CAPITAL COMMITMENT

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

A17. RELATED PARTY TRANSACTIONS

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

PART B - OTHER EXPLANATORY NOTES**As at 30 June 2020****B1. REVIEW OF GROUP PERFORMANCE**

		Current Year To Date 30-Jun-20	Preceding Year Corresponding Period 30-Jun-19	Variance Amount RM000	Variance % +/(-)
	Types of goods & services	RM000	RM000	RM000	
Revenue					
Fabrication & Trading	Industrial	-	37	(37)	-100%
Operation & Maintenance contract	Industrial	4,573	1,647	2,926	178%
Waste Management contract	Environmental	1	999	(998)	-100%
Commodity Trading	Industrial	5,963	5,274	689	13%
		10,537	7,957	2,580	32%
Segment results					
Fabrication & Trading		(1)	(70)	69	99%
Operation & Maintenance contract		6	260	(254)	-98%
Waste Management contract		(18)	44	(62)	-141%
Construction & Project		(4)	(56)	52	93%
Commodity Trading		193	209	(16)	-8%
Corporate holding		85	3	82	2733%
Profit from operations		261	390	(129)	-33%
Finance costs		-	-	-	
Profit before taxation		261	390	(129)	-33%
Tax expense		-	-	-	
Net profit, total comprehensive profit attributable to :		261	390	(129)	-33%
Equity holders of the company		261	390		
Non-controlling interest		-	-		
		261	390		

1.1 Segment Background

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

- a) Civil, mechanical and electrical engineering works, providing maintenance, upgrading and/or rectification works.
- b) Commodity trading and industrial products trading
- c) Waste management services

PART B - OTHER EXPLANATORY NOTES

As at 30 June 2020

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)**1.1 Segment Background (continued)**

- d) Fabrication and sales of fibre glass related products and steel structures
- e) Management services and investment holding.

1.2 Group and segment Analysis**Group Analysis**

The Group has recorded revenue of RM10.537 million, which is approximately RM2.580 million or 32% higher compared to previous year's corresponding period of RM7.957 million. The increase in revenue mainly attributable by the operation and maintenance sector and commodity trading sector.

The Group recorded a lower pretax profit of RM0.261 million against RM0.390 million pretax profit in the previous year's corresponding period. These were mainly due to the followings:

- i. Reduction in employee benefits expenses by RM0.237 million or 37%.
The total number of employees of the Group at the current quarter was 12 (June 2019: 22).
- ii. Reduction in legal & professional fee by RM0.031 million or 42%
- iii. Reduction in administrative expenses by RM0.078 million or 13% due to further cost cutting measurement due to Covid-19 pandemic and prudent spending.

PART B - OTHER EXPLANATORY NOTES**As at 30 June 2020 (Continued)****B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)****1.2 Group and Segment Analysis (continued)****Segment Analysis****a) Fabrication and Trading**

There was no revenue contribution from this sector for the current quarter.

b) Operation & maintenance

The Operation & Maintenance was the 2nd largest revenue contributor for the Group revenue. This segment contributed RM4.573 million or 43% from the Group total revenue. The revenue has increased 178% from the previous corresponding period due to additional maintenance and servicing works related.

c) Waste Management

There was no revenue contribution from this segment compared to 13% Group contribution in the previous corresponding period. This segment is planning to establish integrated waste or material recovery facilities, partnering with established technology providers to reduce, reuse and recycle large industrial and plantation waste.

d) Construction & project

The Construction & Project segment has not contributed any revenue to the Group in the current quarter.

e) Commodity Trading

This segment has contributed 57% from the Group total revenue. The growth of this segment is expected to continue due to increase in palm related commodities and industrial commodities to domestic markets.

PART B - OTHER EXPLANATORY NOTES

As at 30 June 2020 (Continued)

B2. VARIATION OF RESULTS AGAINST THE PRECEDING QUARTER

	Types of goods & services	Quarter To	Quarter To	Variance	
		Date	Date	Amount	Variance
		30-Jun-20	31-Mar-20	RM000	%
		RM000	RM000	RM000	+ / (-)
Revenue					
Fabrication & Trading	Industrial	-	-	-	
Operation & Maintenance contract	Industrial	34	4,539	(4,505)	-99%
Waste Management contract	Environmental	-	1	(1)	-100%
Commodity Trading	Industrial	2,212	3,750	(1,538)	-41%
		2,246	8,290	(6,044)	-73%
Segment results					
Fabrication & Trading		(1)	-	(1)	0%
Operation & Maintenance contract		(37)	43	(80)	-186%
Waste Management contract		(17)	(1)	(16)	1600%
Construction & Project		(3)	(1)	(2)	-200%
Commodity Trading		122	70	52	74%
Corporate holding		(52)	137	(189)	-138%
Profit from operations		12	248	(236)	-95%
Finance costs		-	-	-	-
Profit before taxation		12	248	(236)	-95%
Tax expense		-	-	-	-
Net profit, total comprehensive		12	248	(236)	-95%
profit attributable to :					
Equity holders of the company		12	248		

2.1 Group and Segment Analysis**Group Analysis**

The Group total revenue for the 2nd quarter 2020 has decreased by RM6.044 million or 73% from the preceding quarter of RM8.290 million. The decrease in revenue mainly due to the outbreak of the Covid-19 pandemic early this year and the implementation of the nationwide Movement Control Order (“MCO”) and Conditional MCO.

The Group recorded lower pretax profit of RM0.012 million against a pretax profit of RM0.248 million in the previous quarter.

PART B - OTHER EXPLANATORY NOTES

As at 30 June 2020 (Continued)

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

There was no revenue contribution for this segment in this current quarter.

b) Operation & maintenance

The revenue has decrease by RM4.505 million from the preceding quarter mainly due to stopped work at site pursuant to the implementation of the nationwide Movement Control Order (“MCO”) and Conditional MCO.

c) Waste Management

There was no revenue contribution for this segment in this current quarter.

d) Commodity Trading

The revenue has decrease by RM1.538 million from the previous quarter due to decrease in domestic demands during Covid-19. This segment however recorded a higher pretax profit of RM0.122 million in the current quarter against a pretax profit of RM0.070 million in the preceding quarter.

B3. COMMENTARY ON PROSPECTS

For the current financial year, the outbreak of the Covid-19 pandemic early this year and the implementation of the nationwide Movement Control Order (“MCO”) and Conditional MCO since 18 March 2020 to contain the spread of Covid-19 had caused a severe dampening on the economic activities and uncertainties in the overall market environment. With these various adversities and challenging business landscape, the Group’s operations and financial performances were affected as a result of delayed physical works and progress billings and fewer projects secured.

PART B - OTHER EXPLANATORY NOTES**As at 30 June 2020 (Continued)****B3. COMMENTARY ON PROSPECTS (CONT'D)**

In response to the expected adverse scenario, the Group had implemented various business strategies and countermeasures to mitigate and overcome the adverse financial effect which include further cost optimisation exercise and enhance efforts to improve operational efficiencies.

Looking at the current scenario and barring any unforeseen circumstances, The Group and the Board of Directors expect significant impact on the Group's revenue stream until the 3rd quarter this year. Despite these uncertainties, the Group remains vigilant and will continue to strengthen its position for medium and long-term business prospects. The revenue trend is expected to grow moderately in the middle of 3rd quarter 2020 onwards from the engineering and construction ("EC") segment and Commodity & Industrial trading.

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.

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 June 2020.

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

There was no change in material litigation for the Group during the current financial quarter.

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.

PART B - OTHER EXPLANATORY NOTES**As at 30 June 2020 (Continued)****B12. EARNING PER SHARE (CONT'D)**

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		6 months ended	
	30-Jun 2020	30-Jun 2019	30-Jun 2020	30-Jun 2019
Profit net of tax attributable to owners of the parent in the computation of earnings per share (RM'000)	12	320	261	390
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)	0.01	0.39	0.32	0.48
Diluted earning per share (sen per share)	NA	NA	NA	NA

NA - Not applicable.

By Order of the Board

Secretary