

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the six months ended 31 December 2013

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the Financial Period Ended 31 December 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Revenue	47,892	36,019	91,272	79,705
Cost of sales	<u>(31,185)</u>	<u>(25,374)</u>	<u>(59,650)</u>	<u>(51,387)</u>
Gross profit	16,707	10,645	31,622	28,318
Other operating income	2,742	2,494	4,279	5,480
Administrative expenses	(923)	(778)	(1,771)	(1,547)
Other operating expenses	(631)	(1,735)	(2,105)	(2,759)
Finance cost	-	-	-	-
Profit before taxation	<u>17,895</u>	<u>10,626</u>	<u>32,025</u>	<u>29,492</u>
Taxation	<u>(4,168)</u>	<u>(2,586)</u>	<u>(7,754)</u>	<u>(7,141)</u>
Net profit for the period	<u>13,727</u>	<u>8,040</u>	<u>24,271</u>	<u>22,351</u>
Other comprehensive income				
- Available-for-sale financial assets				
- net changes in fair value	234	5,236	1,859	5,090
- reclassification to profit or loss	<u>144</u>	<u>(680)</u>	<u>155</u>	<u>(1,052)</u>
Changes in other comprehensive income	<u>378</u>	<u>4,556</u>	<u>2,014</u>	<u>4,038</u>
Total comprehensive income for the period	<u>14,105</u>	<u>12,596</u>	<u>26,285</u>	<u>26,389</u>
Profit attributable to:				
Equity holders of the Company	<u>13,727</u>	<u>8,040</u>	<u>24,271</u>	<u>22,351</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>14,105</u>	<u>12,596</u>	<u>26,285</u>	<u>26,389</u>
Earnings per share (sen)				
- Basic	<u>8.6</u>	<u>5.0</u> *	<u>15.2</u>	<u>14.0</u> *
- Diluted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

\* The comparative information for the Earnings Per Share has been adjusted to take into account the bonus issue of 80,064,000 new ordinary shares of RM1.00 each on 17 December 2013.

*The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013.*

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the six months ended 31 December 2013

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2013

	As at 31.12.2013 RM'000	As at 30.06.2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	73,942	77,559
Investment properties	136	138
Available-for-sale financial assets	46,637	30,128
Deferred tax assets	695	269
	<u>121,410</u>	<u>108,094</u>
<b>Current assets</b>		
Amounts due from customers on contracts	1,162	2,262
Inventories	14,959	15,421
Receivables	105,523	80,325
Amount due from an associated company	-	1
Short-term deposits	107,066	100,450
Cash and bank balances	2,951	24,881
	<u>231,661</u>	<u>223,340</u>
<b>TOTAL ASSETS</b>	<u>353,071</u>	<u>331,434</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
<b>Capital and reserves</b>		
Share capital	160,128	80,064
Share premium	-	3,486
Available-for-sale reserve	4,850	2,836
Retained earnings	120,395	184,712
<b>Total equity</b>	<u>285,373</u>	<u>271,098</u>
<b>Non-current liability</b>		
Deferred tax liabilities	9,875	10,086
	<u>9,875</u>	<u>10,086</u>
<b>Current liabilities</b>		
Amounts due to customers on contracts	17,140	13,851
Payables	21,267	23,923
Dividend payable	12,010	8,006
Taxation	7,406	4,470
	<u>57,823</u>	<u>50,250</u>
<b>Total liabilities</b>	<u>67,698</u>	<u>60,336</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>353,071</u>	<u>331,434</u>
Net assets per share attributable to equity holders of the Company (RM)	1.78	3.39

*The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013.*

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the six months ended 31 December 2013

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For The Financial Period Ended 31 December 2013

	← Attributable to equity holders of the Company →				
	Share capital RM'000	← Non-distributable →		Distributable Retained earnings RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Available-for- sale reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 July 2013	80,064	3,486	2,836	184,712	271,098
Total comprehensive income for the period	-	-	2,014	24,271	26,285
Issuance of bonus shares	80,064	(3,486)	-	(76,578)	-
Dividends	-	-	-	(12,010)	(12,010)
At 31 December 2013	<u>160,128</u>	<u>-</u>	<u>4,850</u>	<u>120,395</u>	<u>285,373</u>
At 1 July 2012	80,064	3,486	3,487	150,409	237,446
Total comprehensive income for the period	-	-	4,038	22,351	26,389
Dividends	-	-	-	(10,008)	(10,008)
At 31 December 2012	<u>80,064</u>	<u>3,486</u>	<u>7,525</u>	<u>162,752</u>	<u>253,827</u>

*The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013.*

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the six months ended 31 December 2013

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For The Financial Period Ended 31 December 2013

	6 months ended	
	31.12.2013	31.12.2012
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the period	24,271	22,351
Adjustments for:-		
Depreciation of property, plant and equipment and investment properties	6,090	5,575
Gain on disposal of investment property	-	(64)
Gain on disposals of available-for-sale financial assets	(1,118)	(617)
Impairment losses of available-for-sale financial assets	36	-
Taxation	7,754	7,141
Other non-cash items	408	229
Other non-operating items	(2,678)	(2,342)
	<u>34,763</u>	<u>32,273</u>
Changes in working capital:		
Net changes in current assets	(24,602)	13,775
Net changes in current liabilities	1,940	(6,793)
Cash generated from operations	12,101	39,255
Tax paid	(5,442)	(4,206)
Tax refund	-	-
Interest income received	1,537	1,242
Net cash generated from operating activities	<u>8,196</u>	<u>36,291</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(2,492)	(5,823)
Proceeds from disposal of property, plant and equipment	364	257
Proceeds from disposal of investment property	-	20
Purchases of available-for-sale financial assets	(27,675)	(16,085)
Proceeds from disposals of available-for-sale financial assets	13,963	12,296
Dividend income received	740	715
Withdrawal by fund managers for investment purposes	23,297	3,213
Net cash generated from/(used in) investing activities	<u>8,197</u>	<u>(5,407)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(8,006)	(6,005)
Net cash used in financing activity	<u>(8,006)</u>	<u>(6,005)</u>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	8,387	24,879
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	96,068	71,195
<b>CURRENCY TRANSLATION DIFFERENCES</b>	(404)	(226)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>104,051</u>	<u>95,848</u>

*The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013.*



**PINTARAS JAYA BERHAD (189900-H)**

(Incorporated in Malaysia)

**Interim financial statements for the six months ended 31 December 2013**

## **Notes to the Interim Financial Statements**

### **1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) No. 134 - Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2013.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2013 except for those standards, amendments and interpretations which are effective for financial periods beginning on or after 1 July 2013. The adoption of these standards, amendments and interpretations have no material impact to these interim financial statements.

### **2. Auditors' Report on Preceding Annual Financial Statements**

The audit report of the Group's most recent annual audited financial statements for the financial year ended 30 June 2013 was not qualified.

### **3. Seasonal or Cyclical Factors**

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

### **4. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period under review.

### **5. Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

### **6. Changes in Debt and Equity Securities**

On 17 December 2013, the issued and paid up share capital of the Company was increased from RM80.1 million to RM160.1 million by way of a bonus issue of 80,064,000 shares of RM1.00 each on the basis of one (1) new share for every one (1) existing share held.

There were no other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the current financial period.

### **7. Dividend Paid**

An interim single-tier dividend of 10.0 sen per share amounting to RM8,006,400 in respect of the financial year ended 30 June 2013 was declared on 17 May 2013 and paid on 10 July 2013.

The final single-tier dividend of 15.0 sen per share amounting to RM12,009,600 in respect of the financial year ended 30 June 2013 was approved by the shareholders during the Annual General Meeting on 7 October 2013 and paid on 3 January 2014.



**PINTARAS JAYA BERHAD (189900-H)**

(Incorporated in Malaysia)

Interim financial statements for the six months ended 31 December 2013

**8. Segmental Information**

	Piling, civil engineering and construction works RM'000	Manufacturing RM'000	Eliminations RM'000	Group RM'000
<b>6 months ended 31 December 2013</b>				
<b><u>Revenue</u></b>				
External revenue	74,665	16,607	-	91,272
Inter-segment revenue	-	-	-	-
<b>Total revenue</b>	<b>74,665</b>	<b>16,607</b>	<b>-</b>	<b>91,272</b>
<b><u>Results</u></b>				
Segment results	26,028	3,192	-	29,220
Unallocated income				3,463
Unallocated costs				(658)
Finance cost				-
<b>Profit before taxation</b>				<b>32,025</b>
Taxation				(7,754)
<b>Profit for the financial period</b>				<b>24,271</b>

	Piling, civil engineering and construction works RM'000	Manufacturing RM'000	Eliminations RM'000	Group RM'000
<b>6 months ended 31 December 2012</b>				
<b><u>Revenue</u></b>				
External revenue	62,869	16,836	-	79,705
Inter-segment revenue	-	-	-	-
<b>Total revenue</b>	<b>62,869</b>	<b>16,836</b>	<b>-</b>	<b>79,705</b>
<b><u>Results</u></b>				
Segment results	23,856	3,156	-	27,012
Unallocated income				2,808
Unallocated costs				(328)
Finance cost				-
<b>Profit before taxation</b>				<b>29,492</b>
Taxation				(7,141)
<b>Profit for the financial period</b>				<b>22,351</b>

Segmental reporting by geographical area is not presented as the Group's activities are all carried out in Malaysia.



**PINTARAS JAYA BERHAD (189900-H)**

(Incorporated in Malaysia)

**Interim financial statements for the six months ended 31 December 2013**

**9. Valuation of Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

**10. Material Events Subsequent to the End of Financial Period**

There were no material events subsequent to the end of the current financial period ended 31 December 2013 up to the date of this report that have not been reflected in the interim financial statements.

**11. Changes in Composition of the Group**

There were no changes in the composition of the Group for the financial period under review other than as disclosed below:-

On 28 November 2013, Pintaras Geotechnics Sdn. Bhd., a wholly-owned subsidiary of the Company, applied to the Companies Commission of Malaysia to strike off its dormant associate company, PHSB Sdn. Bhd., pursuant to Section 308 of the Companies Act, 1965.

**12. Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets since the last audited financial statements of the Group.

**13. Capital Commitments**

Authorised capital commitments not recognised in the financial statements as at 31 December 2013 are as follows:

	RM'000
Approved and contracted for	<u>16,284</u>

**14. Review of Performance of the Company and its Principal Subsidiaries**

**(a) Current Year 2nd Quarter (2Q2014) versus Preceding Year 2nd Quarter (2Q2013)**

The Group's revenue of RM47.9 million in 2Q2014 outperformed the preceding year's corresponding quarter revenue of RM36.0 million by 33%. Consequently, in line with growth in revenue, the Group's overall profit before taxation was higher by 69% in 2Q2014 at RM17.9 million, compared to RM10.6 million in 2Q2013.

The construction division achieved a higher revenue of RM39.5 million in 2Q2014 as compared to RM27.7 million in the same quarter last year. Profit before taxation soared by 79% to RM14.3 million from RM8.0 million, mainly due to higher progress profits recognised from on-going projects which are in the advanced stages of implementation.

Revenue and profit before taxation for manufacturing division of RM8.4 million and RM1.4 million respectively was comparable to the same quarter last year.

**(b) Current Year-to-date versus Preceding Year Corresponding Period**

For the financial period ended 31 December 2013, the Group's revenue increased by about 15% to RM91.3 million from RM79.7 million in the preceding year, profit before taxation grew by 8% to RM32.0 million as compared to the previous corresponding period of RM29.5 million. The improvement was primarily due to better performance achieved by the construction division, whereas profit before taxation of manufacturing division maintained at RM3.2 million despite a slight decrease in revenue.

The construction division achieved a higher revenue of RM74.7 million as compared to RM62.9 million last year. Correspondingly, profit before taxation rose by RM2.1 million or 9% to RM26.0 million from RM23.9 million last year. The increase of both revenue and profit is mainly due to higher construction activities as some of the on-going projects were in the advanced stages of implementation and the commencement of new contracts.

Sales from manufacturing division has reduced marginally by 1% to RM16.6 million as compared to previous corresponding period of RM16.8 million. The decline was mainly due to downward revision of selling prices as a result of competitive market environment. However, earnings remained consistent at RM3.2 million due to lower material costs which managed to mitigate the impact of reduction in selling price.



**PINTARAS JAYA BERHAD (189900-H)**

(Incorporated in Malaysia)

**Interim financial statements for the six months ended 31 December 2013**

**15. Material Changes in the Quarterly Results compared to the results of the Immediate Preceding Quarter**

	2nd quarter ended 31.12.2013 RM'000	1st quarter ended 30.09.2013 RM'000	Variance %
Revenue	47,892	43,380	10%
Profit before taxation	17,895	14,130	27%

For the 2nd financial quarter under review, the Group recorded a higher revenue and profit before taxation of RM47.9 million and RM17.9 million, representing an increase of 10% and 27% respectively compared to the immediate preceding quarter. The improvement over preceding quarter was mainly due to higher contribution from the construction division and better results recorded for quoted investments. Contribution from the manufacturing division, however, was lower.

**16. Prospects for the Current Financial Year**

The effects of the cooling measures on properties announced during the recent Budget have indeed resulted in some projects being deferred. Some property developers have already started to focus on affordable housing and some have decided to 'wait and see'. Costs of many raw materials, fuel and services have also escalated and there appears a general perception that prices of goods and services must rise to enable costs to be met. Whether it is due to inflation, higher electricity charges, reduced subsidies and higher labour costs, there is a real threat that these may adversely impact our economy. Coupled with the effects of the tapering of the financial quantitative easing process in the USA, we may have a more subdued pace for project starts in the next six months. While we currently may have a strong order book and a robust tender book value, we are actively taking measures to reduce our cost structure, exploring ways to be more efficient and challenging ourselves to be more innovative in providing cost effective solutions to our clients and customers.

Albeit the difficulties above, the Board expects the Group's financial performance for financial year 2014 to remain favourable.

**17. Variance of Actual Profit from Forecast Profit/Profit Guarantee**

There were no profit forecast/profit guarantee issued by the Group.

**18. Taxation**

Taxation comprises the following: -

	Current quarter ended 31.12.2013 RM'000	Cumulative quarter ended 31.12.2013 RM'000
Current taxation	4,595	8,391
Deferred taxation	(427)	(637)
	<u>4,168</u>	<u>7,754</u>

The average effective tax rate differs from the statutory income tax rate of Malaysia as follows:

	Current quarter ended %	Cumulative quarter ended %
Statutory income tax rate	25	25
Expenses not deductible for tax purposes	-	-
Income not subject to tax	(2)	(1)
Average effective tax rate	<u>23</u>	<u>24</u>





**PINTARAS JAYA BERHAD (189900-H)**

(Incorporated in Malaysia)

**Interim financial statements for the six months ended 31 December 2013**

**19. Status of Corporate Proposals**

The following corporate proposals have been duly approved by the shareholders of the Company at the Extraordinary General Meeting held on 7 October 2013:

- (i) proposed bonus issue of 80,064,000 ordinary shares of RM1.00 each in Pintaras on the basis of one (1) Bonus share for every one (1) existing Pintaras Share at a date to be determined and announced later ("Proposed Bonus Issue");
- (ii) proposed establishment of a new employee share option scheme involving up to 15% of the issued and paid-up share capital of Pintaras to eligible directors and employees of Pintaras, and its subsidiaries ("Proposed ESOS"); and
- (iii) proposed share buy-back of its ordinary shares of RM1.00 each by Pintaras of up to 10% of its own issued and paid-up share capital. ("Proposed Share Buy-Back").

The bonus issue was completed on 17 December 2013, and the proposed ESOS has not been established as at the date of this announcement.

**20. Group borrowings and Debt Securities**

The Group does not have any borrowings or debt securities as at 31 December 2013.

**21. Derivative Financial Instruments**

The Group has no derivative financial instruments for the current financial period under review.

**22. Fair Value Changes of Financial Liabilities**

There are no financial liabilities measured at fair value through profit or loss as at 31 December 2013.

**23. Changes in Material Litigation**

There is no material litigation at the date of this report.

**24. Dividend**

The Directors do not recommend any interim dividend for the current quarter under review.

**25. Earnings Per Share**

The basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares in issue during the financial period.

		Current quarter ended 31.12.2013	Cumulative quarter ended 31.12.2013
- Net profit for the period	(RM'000)	13,727	24,271
- Weighted average number of ordinary shares in issue	('000)	160,128	160,128
- Basic earnings per share	(sen)	8.60	15.20

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares during the financial period.



**PINTARAS JAYA BERHAD (189900-H)**

(Incorporated in Malaysia)

**Interim financial statements for the six months ended 31 December 2013**

**26. Realised and Unrealised Profits/Losses Disclosure**

	As at 31.12.2013 RM'000	As at 30.06.2013 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	121,138	185,778
- Unrealised	(9,531)	(9,906)
	<u>111,607</u>	<u>175,872</u>
Add: Consolidation adjustments	8,788	8,840
Total group retained profits as per consolidated accounts	<u>120,395</u>	<u>184,712</u>

**27. Profit before Taxation**

	Current quarter ended 31.12.2013 RM'000	Cumulative quarter ended 31.12.2013 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
(a) Interest income	(821)	(1,571)
(b) Other income including investment income		
- dividend income	(229)	(756)
- gain on disposals of property, plant and equipment	(351)	(351)
(c) Interest expenses	N/A	N/A
(d) Depreciation of property, plant and equipment and investment properties	3,072	6,090
(e) Provision for impairment of receivables	168	288
(f) Inventories written off	2	4
(g) Gain or loss on disposal of quoted or unquoted investments or properties		
- gain on disposals of available-for-sale financial assets	(1,400)	(1,118)
- gain on disposal of investment property	N/A	N/A
(h) Impairment of assets		
- property, plant and equipment	N/A	N/A
- available-for-sale financial assets	-	36
(i) Net loss on foreign exchange	165	400
(j) Gain or loss on derivatives	N/A	N/A
(k) Exceptional items	N/A	N/A

By order of the Board

**KHOO YOK KEE**  
Executive Director

Shah Alam  
12 February 2014