


PINTARAS JAYA BERHAD(189900H)

Interim financial statements for the nine months ended 31 March 2014

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

For the Financial Period Ended 31 March 2014

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.03.2014 RM'000	31.03.2013 RM'000	31.03.2014 RM'000	31.03.2013 RM'000
Revenue	48,889	42,434	140,161	122,139
Cost of sales	<u>(30,876)</u>	<u>(26,502)</u>	<u>(90,526)</u>	<u>(77,889)</u>
Gross profit	18,013	15,932	49,635	44,250
Other operating income	1,778	3,392	6,057	8,872
Administrative expenses	(4,718)	(851)	(6,489)	(2,398)
Other operating expenses	(1,392)	(828)	(3,497)	(3,587)
Finance cost	-	-	-	-
Profit before taxation	<u>13,681</u>	<u>17,645</u>	<u>45,706</u>	<u>47,137</u>
Taxation	<u>(4,419)</u>	<u>(3,832)</u>	<u>(12,173)</u>	<u>(10,973)</u>
Net profit for the period	<u>9,262</u>	<u>13,813</u>	<u>33,533</u>	<u>36,164</u>
Other comprehensive income				
- Available-for-sale financial assets				
- net changes in fair value	3,832	512	5,691	5,602
- reclassification to profit or loss	<u>(1,223)</u>	<u>(891)</u>	<u>(1,068)</u>	<u>(1,943)</u>
Changes in other comprehensive income	<u>2,609</u>	<u>(379)</u>	<u>4,623</u>	<u>3,659</u>
Total comprehensive income for the period	<u>11,871</u>	<u>13,434</u>	<u>38,156</u>	<u>39,823</u>
Profit attributable to:				
Equity holders of the Company	<u>9,262</u>	<u>13,813</u>	<u>33,533</u>	<u>36,164</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>11,871</u>	<u>13,434</u>	<u>38,156</u>	<u>39,823</u>
Earnings per share (sen)				
- Basic	5.8	8.6 *	20.9	22.6 *
- Diluted	<u>5.8</u>	<u>8.6</u>	<u>20.9</u>	<u>22.6</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 nine months ended 31 March 2014

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

As at 31 March 2014

	As at 31.03.2014 RM'000	As at 30.06.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	80,027	77,559
Investment properties	135	138
Available-for-sale financial assets	50,437	30,128
Deferred tax assets	305	269
	<u>130,904</u>	<u>108,094</u>
Current assets		
Amounts due from customers on contracts	2,449	2,262
Inventories	13,623	15,421
Receivables	99,832	80,325
Amount due from an associated company	-	1
Short-term deposits	106,924	100,450
Cash and bank balances	3,138	24,881
	<u>225,966</u>	<u>223,340</u>
TOTAL ASSETS	<u>356,870</u>	<u>331,434</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Capital and reserves		
Share capital	160,128	80,064
Share premium	-	3,486
Share options reserve	4,044	-
Available-for-sale reserve	7,459	2,836
Retained earnings	129,657	184,712
Total equity	<u>301,288</u>	<u>271,098</u>
Non-current liability		
Deferred tax liabilities	10,647	10,086
	<u>10,647</u>	<u>10,086</u>
Current liabilities		
Amounts due to customers on contracts	12,930	13,851
Payables	26,175	23,923
Dividend payable	-	8,006
Taxation	5,830	4,470
	<u>44,935</u>	<u>50,250</u>
Total liabilities	<u>55,582</u>	<u>60,336</u>
TOTAL EQUITY AND LIABILITIES	<u>356,870</u>	<u>331,434</u>
Net assets per share attributable to equity holders of the Company (RM)	1.88	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 nine months ended 31 March 2014

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Financial Period Ended 31 March 2014

	← Attributable to equity holders of the Company →					
	Share capital RM'000	Share premium RM'000	Non-distributable Share options reserve RM'000	Available-for-sale reserve RM'000	Distributable 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	-	-	-	4,623	33,533	38,156
Employees' share option scheme						
- value of employee services	-	-	4,044	-	-	4,044
Issuance of bonus shares	80,064	(3,486)	-	-	(76,578)	-
Dividends	-	-	-	-	(12,010)	(12,010)
At 31 March 2014	160,128	-	4,044	7,459	129,657	301,288
At 1 July 2012	80,064	3,486	-	3,487	150,409	237,446
Total comprehensive income for the period	-	-	-	3,659	36,164	39,823
Dividends	-	-	-	-	(10,008)	(10,008)
At 31 March 2013	80,064	3,486	-	7,146	176,565	267,261

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 nine months ended 31 March 2014

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
For The Financial Period Ended 31 March 2014

	9 months ended	
	31.03.2014	31.03.2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	33,533	36,164
Adjustments for:-		
Depreciation of property, plant and equipment and investment properties	9,380	8,462
Gain on disposal of investment property	-	(64)
Gain on disposals of available-for-sale financial assets	(1,824)	(2,935)
Impairment losses of available-for-sale financial assets	464	-
Fair value of share options granted under ESOS	4,044	-
Taxation	12,173	10,973
Other non-cash items	638	171
Other non-operating items	(3,539)	(3,177)
	<u>54,869</u>	<u>49,594</u>
Changes in working capital:		
Net changes in current assets	(17,761)	22,519
Net changes in current liabilities	<u>(1,359)</u>	<u>(18,120)</u>
Cash generated from operations	35,749	53,993
Tax paid	(10,272)	(8,606)
Tax refund	11	-
Interest income received	<u>2,311</u>	<u>1,960</u>
Net cash generated from operating activities	<u>27,799</u>	<u>47,347</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(9,489)	(7,126)
Proceeds from disposal of property, plant and equipment	378	257
Proceeds from disposal of investment property	-	227
Purchases of available-for-sale financial assets	(37,457)	(23,276)
Proceeds from disposals of available-for-sale financial assets	23,290	23,886
Dividend income received	862	793
Withdrawal/(placement) by fund managers for investment purposes	<u>23,901</u>	<u>(1,366)</u>
Net cash generated from/(used in) investing activities	<u>1,485</u>	<u>(6,605)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	<u>(20,016)</u>	<u>(16,013)</u>
Net cash used in financing activity	<u>(20,016)</u>	<u>(16,013)</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	9,268	24,729
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	96,068	71,195
CURRENCY TRANSLATION DIFFERENCES	(635)	(164)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>104,701</u>	<u>95,760</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 nine months ended 31 March 2014

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.



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8. Segmental Information

	Piling, civil engineering and construction works RM'000	Manufacturing RM'000	Eliminations RM'000	Group RM'000
9 months ended 31 March 2014				
<u>Revenue</u>				
External revenue	114,798	25,363	-	140,161
Inter-segment revenue	-	-	-	-
Total revenue	114,798	25,363	-	140,161
<u>Results</u>				
Segment results	41,323	4,762	-	46,085
Unallocated income				5,022
Unallocated costs				(5,401)
Finance cost				-
Profit before taxation				45,706
Taxation				(12,173)
Profit for the financial period				33,533

	Piling, civil engineering and construction works RM'000	Manufacturing RM'000	Eliminations RM'000	Group RM'000
9 months ended 31 March 2013				
<u>Revenue</u>				
External revenue	96,525	25,614	-	122,139
Inter-segment revenue	-	-	-	-
Total revenue	96,525	25,614	-	122,139
<u>Results</u>				
Segment results	36,654	4,830	-	41,484
Unallocated income				5,960
Unallocated costs				(307)
Finance cost				-
Profit before taxation				47,137
Taxation				(10,973)
Profit for the financial period				36,164

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



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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 March 2014 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 March 2014 are as follows:

	RM'000
Approved and contracted for	<u>10,511</u>

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

(a) Current Year 3rd Quarter (3Q2014) versus Preceding Year 3rd Quarter (3Q2013)

The Group's revenue of RM48.9 million in 3Q2014 outperformed the preceding year's corresponding quarter revenue of RM42.4 million by 15%. However, the Group's overall profit before taxation ("PBT") was lower by 22% in 3Q2014 at RM13.7 million, compared to RM17.6 million in 3Q2013. This was primarily due to a non-cash employee benefits cost of RM4.0 million arising from fair value accounting adopted for share options granted pursuant to an Employee Share Option Scheme ("ESOS"). In addition, contribution from investment income was lower.

The construction division achieved a higher revenue of RM40.1 million in 3Q2014 compared to RM33.7 million in the same quarter last year. Correspondingly, PBT rose by 20% to RM15.3 million from RM12.8 million. The increase of revenue and profit is due to the commencement of new projects and higher progress profit recognised from on-going projects.

Revenue from manufacturing division was unchanged at RM8.8 million. However, PBT was 6% lower at RM1.6 million, compared to RM1.7 million in 3Q2013. The decline in profit was mainly due to the slightly lower average selling prices and higher raw material costs.

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

For the financial period ended 31 March 2014, the Group's revenue increased by about 15% to RM140.2 million from RM122.1 million in the preceding year. Consequently, the PBT of RM49.7 million outperformed the earnings for the same period last year by 6%, spurred mainly by the strong performance from the construction division. However, the profit was pared down by a non-cash employee benefits cost of RM4.0 million under ESOS, resulting in a lower PBT of RM45.7 million as compared to the previous corresponding period of RM47.1 million.

The construction division achieved a higher revenue of RM114.8 million as compared to RM96.5 million last year. Correspondingly, PBT rose by RM4.6 million or 13% to RM41.3 million from RM36.7 million last year. The increase of both revenue and profit is mainly due to higher construction activities as a result of new contract starts.

The manufacturing division recorded a revenue and PBT of RM25.4 million and RM4.8 million respectively, representing a decrease of 1% as compared to last year. The decline was mainly due to a downward revision of selling prices as a result of competitive market environment.



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

	3rd quarter ended 31.03.2014 RM'000	2nd quarter ended 31.12.2013 RM'000	Variance %
Revenue	48,889	47,892	2%
Profit before taxation	13,681	17,895	-24%

For the 3rd financial quarter under review, the Group recorded a revenue of RM48.9 million, representing an increase of 2% over preceding quarter. Despite the slightly higher revenue generated, the Group's PBT of RM13.7 million was 24% lower as compared to the immediate preceding quarter. The lower profits in the current quarter was mainly due to the employee benefits cost under ESOS and lower investment income. Contributions from both the construction and manufacturing division were higher.

16. Prospects for the Current Financial Year

The Board expects the construction business to perform well for the remaining fourth quarter based on a strong order book and a robust tender book value. Overall, prospects in the construction and infrastructure sector remain excellent on the back of numerous on-going and planned mega projects such as the KVMRT 2, KIDEX, West Coast Expressway, RAPID, TRX and Power plant packages 3B, 4A and 4B. Private sector high-rise residential and commercial property development activities remain solid as evidenced by our strong tender book although there seems to be a general softening of the property market as a result of the cooling measures implemented by the Government. Considering our present order book, the Board can see a very busy year ahead and expect a very high level of utilisation of our construction capacity. We may have to consider expanding our capacity further if the flow of projects were to increase in the next financial year. Our biggest challenge is still human resource. Difficulty with recruitment at many levels of workers has intensified. Wage inflation issues continue to escalate.

Barring unforeseen circumstances, the Board is optimistic that the Group will continue to do well for the remaining financial period.

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 31.03.2014 RM'000	Cumulative quarter ended 31.03.2014 RM'000
Current taxation	3,257	11,648
Deferred taxation	1,162	525
	<u>4,419</u>	<u>12,173</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	9	3
Income not subject to tax	(2)	(1)
Average effective tax rate	<u>32</u>	<u>27</u>

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

(Incorporated in Malaysia)

Interim financial statements for the nine months ended 31 March 2014**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 ESOS has been implemented on 26 February 2014.

20. Group borrowings and Debt Securities

The Group does not have any borrowings or debt securities as at 31 March 2014.

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 March 2014.

23. Changes in Material Litigation

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

24. Dividend

The Board of Directors declared an interim single-tier dividend of 6 sen per share on 160,128,000 ordinary shares in respect of the financial year 30 June 2014. This interim dividend will be paid on 10 July 2014.

25. Earnings Per Share

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

		Current quarter ended 31.03.2014	Cumulative quarter ended 31.03.2014
- Net profit for the period	(RM'000)	9,262	33,533
- Weighted average number of ordinary shares in issue	('000)	160,128	160,128
- Basic earnings per share	(sen)	5.80	20.90

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

- Net profit for the period	(RM'000)	9,262	33,533
- Weighted average number of ordinary shares in issue	('000)	160,128	160,128
Effect of dilution share options	('000)	25	25
Weighted average number of ordinary shares for diluted earnings per share		160,153	160,153
- Diluted earnings per share	(sen)	5.80	20.90

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

(Incorporated in Malaysia)

Interim financial statements for the nine months ended 31 March 2014**26. Realised and Unrealised Profits/Losses Disclosure**

	As at 31.03.2014 RM'000	As at 30.06.2013 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	135,835	185,778
- Unrealised	(14,966)	(9,906)
	<u>120,869</u>	<u>175,872</u>
Add: Consolidation adjustments	8,788	8,840
Total group retained profits as per consolidated accounts	<u>129,657</u>	<u>184,712</u>

27. Profit before Taxation

	Current quarter ended 31.03.2014 RM'000	Cumulative quarter ended 31.03.2014 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
(a) Interest income	(739)	(2,310)
(b) Other income including investment income		
- dividend income	(123)	(879)
- loss/(gain) on disposals of property, plant and equipment	1	(350)
(c) Interest expenses	N/A	N/A
(d) Depreciation of property, plant and equipment and investment properties	3,290	9,380
(e) Provision for impairment of receivables	120	408
(f) Inventories written off	5	9
(g) Gain or loss on disposal of quoted or unquoted investments or properties		
- gain on disposals of available-for-sale financial assets	(706)	(1,824)
- 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	428	464
(i) Net loss on foreign exchange	229	629
(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

21 May 2014