

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the six months ended 31 December 2017

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
For the Financial Period Ended 31 December 2017

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Revenue	24,275	59,773	43,453	119,507
Cost of sales	<u>(20,546)</u>	<u>(45,849)</u>	<u>(37,743)</u>	<u>(91,091)</u>
Gross profit	3,729	13,924	5,710	28,416
Other operating income	1,304	2,786	5,313	6,879
Administrative expenses	(1,035)	(983)	(2,137)	(2,007)
Other operating expenses	<u>(1,441)</u>	<u>(1,212)</u>	<u>(2,447)</u>	<u>(2,561)</u>
Profit before taxation	2,557	14,515	6,439	30,727
Taxation	<u>(736)</u>	<u>(3,196)</u>	<u>(862)</u>	<u>(6,205)</u>
Profit for the period	<u>1,821</u>	<u>11,319</u>	<u>5,577</u>	<u>24,522</u>
Other comprehensive income				
- Available-for-sale financial assets:				
- net changes in fair value	2,218	(445)	3,276	2,294
- reclassification to profit or loss	<u>781</u>	<u>(730)</u>	<u>(507)</u>	<u>(2,045)</u>
Changes in other comprehensive income	<u>2,999</u>	<u>(1,175)</u>	<u>2,769</u>	<u>249</u>
Total comprehensive income for the period	<u>4,820</u>	<u>10,144</u>	<u>8,346</u>	<u>24,771</u>
Profit attributable to:				
Equity holders of the Company	<u>1,821</u>	<u>11,319</u>	<u>5,577</u>	<u>24,522</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>4,820</u>	<u>10,144</u>	<u>8,346</u>	<u>24,771</u>
Earnings per share (sen)				
- Basic	1.1	6.9	3.4	15.0
- Diluted	<u>1.1</u>	<u>6.9</u>	<u>3.4</u>	<u>14.9</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017.

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the six months ended 31 December 2017

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

As at 31 December 2017

	As at 31.12.2017 RM'000	As at 30.06.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	86,977	93,478
Investment properties	121	123
Available-for-sale financial assets	31,282	29,089
Deferred tax assets	4,035	3,940
	<u>122,415</u>	<u>126,630</u>
Current assets		
Amounts due from customers on contracts	4,231	44
Inventories	15,579	17,453
Tax recoverable	5,162	4,082
Receivables	76,069	86,523
Short-term deposits	174,528	171,040
Cash and bank balances	8,325	8,425
	<u>283,894</u>	<u>287,567</u>
TOTAL ASSETS	<u>406,309</u>	<u>414,197</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Capital and reserves		
Share capital	177,528	176,173
Share option reserve	1,026	1,284
Available-for-sale reserve	9,168	6,399
Retained earnings	142,738	156,974
Total equity	<u>330,460</u>	<u>340,830</u>
Non-current liability		
Deferred tax liabilities	11,840	12,995
	<u>11,840</u>	<u>12,995</u>
Current liabilities		
Amounts due to customers on contracts	715	557
Payables	42,189	44,905
Dividend payable	19,813	13,178
Taxation	1,292	1,732
	<u>64,009</u>	<u>60,372</u>
Total liabilities	<u>75,849</u>	<u>73,367</u>
TOTAL EQUITY AND LIABILITIES	<u>406,309</u>	<u>414,197</u>
Net assets per share attributable to equity holders of the Company (RM)	2.00	2.07

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017.

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the six months ended 31 December 2017

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
For The Financial Period Ended 31 December 2017

	← Attributable to equity holders of the Company →					Total equity RM'000
	Share capital RM'000	Share premium RM'000	Share option reserve RM'000	Available-for-sale reserve RM'000	Retained earnings RM'000	
At 1 July 2017	176,173	-	1,284	6,399	156,974	340,830
Total comprehensive income for the period	-	-	-	2,769	5,577	8,346
Issuance of shares						
- exercise of ESOS	1,355	-	(258)	-	-	1,097
Dividends	-	-	-	-	(19,813)	(19,813)
At 31 December 2017	<u>177,528</u>	<u>-</u>	<u>1,026</u>	<u>9,168</u>	<u>142,738</u>	<u>330,460</u>
At 1 July 2016	163,526	8,477	1,786	3,986	153,554	331,329
Total comprehensive income for the period	-	-	-	249	24,522	24,771
Issuance of shares						
- exercise of ESOS	222	554	(148)	-	-	628
Dividends	-	-	-	-	(19,650)	(19,650)
At 31 December 2016	<u>163,748</u>	<u>9,031</u>	<u>1,638</u>	<u>4,235</u>	<u>158,426</u>	<u>337,078</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 2017.

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

Interim financial statements for the six months ended 31 December 2017

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
For The Financial Period Ended 31 December 2017

	6 months ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	5,577	24,522
Adjustments for:-		
Depreciation of property, plant and equipment and investment properties	6,809	7,486
Gain on disposals of available-for-sale financial assets	(943)	(2,513)
Impairment losses of available-for-sale financial assets	282	-
Taxation	862	6,205
Other non-cash items	376	251
Other non-operating items	<u>(3,382)</u>	<u>(3,243)</u>
	9,581	32,708
Changes in working capital:		
Net changes in current assets	8,038	(22,540)
Net changes in current liabilities	<u>(2,725)</u>	<u>17,161</u>
Cash generated from operations	14,894	27,329
Tax paid	(3,633)	(3,318)
Tax refunded	1	-
Interest income received	<u>2,028</u>	<u>2,273</u>
Net cash flows generated from operating activities	<u>13,290</u>	<u>26,284</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(345)	(11,004)
Proceeds from disposal of property, plant and equipment	170	123
Purchases of available-for-sale financial assets	(8,894)	(8,587)
Proceeds from disposals of available-for-sale financial assets	10,142	10,736
Dividend income received	1,198	1,047
Increase in short-term deposits and bank balances used for investment purposes	<u>(1,582)</u>	<u>(1,713)</u>
Net cash flows generated from/(used in) investing activities	<u>689</u>	<u>(9,398)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from ESOS exercised	1,097	628
Dividends paid	<u>(13,178)</u>	<u>(13,082)</u>
Net cash flows used in financing activities	<u>(12,081)</u>	<u>(12,454)</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	1,898	4,432
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	176,794	169,210
CURRENCY TRANSLATION DIFFERENCES	(92)	158
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>178,600</u>	<u>173,800</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 2017.



PINTARAS JAYA BERHAD (189900-H)

(Incorporated in Malaysia)

Interim financial statements for the six months ended 31 December 2017

Notes to the Interim Financial

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 2017. 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 2017.

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 2017.

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 2017 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

During the financial period ended 31 December 2017, a total of 387,800 new ordinary shares were issued and allotted pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") at an exercise price of RM2.83 per ordinary share.

Other than as mentioned above, 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 during the financial period under review.

7. Dividend Paid

An interim single-tier dividend of 8 sen per share amounting to RM13,177,520 in respect of the financial year ended 30 June 2017 was declared on 26 May 2017 and paid on 12 July 2017.

The final single-tier dividend of 12 sen per share amounting to RM19,812,816 in respect of the financial year ended 30 June 2017 was approved by the shareholders during the Annual General Meeting on 17 October 2017 and paid on 12 January 2018.

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

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8. Segmental Information

	Piling, civil engineering and construction works RM'000	Manufacturing RM'000	Group RM'000
6 months ended 31 December 2017			
Revenue			
Construction contracts	28,420	-	28,420
Sale of goods	-	15,033	15,033
Total revenue			43,453
Results			
Segment results	1,714	1,185	2,899
Unallocated income			4,190
Unallocated costs			(650)
Profit before taxation			6,439
Taxation			(862)
Profit for the financial period			5,577

	Piling, civil engineering and construction works RM'000	Manufacturing RM'000	Group RM'000
6 months ended 31 December 2016			
Revenue			
Construction contracts	104,564	-	104,564
Sale of goods	-	14,943	14,943
Total revenue			119,507
Results			
Segment results	22,919	2,373	25,292
Unallocated income			5,722
Unallocated costs			(287)
Profit before taxation			30,727
Taxation			(6,205)
Profit for the financial period			24,522

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

9. Valuation of Property, Plant and Equipment

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

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

(Incorporated in Malaysia)

Interim financial statements for the six months ended 31 December 2017**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 2017 up to the date of this report that have not been reflected in this financial statements.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the financial period under review.

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

There were no material capital commitments not provided for in the interim financial statements as at 31 December 2017.

14. Review of Performance**Financial review for current quarter and financial year to date**

	Individual Quarter			Cumulative Quarter		
	31.12.2017 RM'000	31.12.2016 RM'000	Variance (%)	31.12.2017 RM'000	31.12.2016 RM'000	Variance (%)
Revenue						
Construction	16,690	52,012	-68%	28,420	104,564	-73%
Manufacturing	7,585	7,761	-2%	15,033	14,943	1%
	<u>24,275</u>	<u>59,773</u>	-59%	<u>43,453</u>	<u>119,507</u>	-64%
Profit Before Taxation('PBT')						
Construction	1,394	11,172	-88%	1,714	22,919	-93%
Manufacturing	583	1,258	-54%	1,185	2,373	-50%
Others - unallocated income(net of cost)	580	2,085	-72%	3,540	5,435	-35%
	<u>2,557</u>	<u>14,515</u>	-82%	<u>6,439</u>	<u>30,727</u>	-79%

(a) Current Year 2nd Quarter (2Q2018) versus Preceding Year 2nd Quarter (2Q2017)

The Group recorded a revenue and PBT of RM24.3 million and RM2.6 million in 2Q2018, representing a decrease of 59% and 82% respectively compared to 2Q2017. The decline was attributable mainly to lower contribution from both the construction and manufacturing divisions coupled with a much lower investment income over the preceding comparative financial quarter.

Construction Division

The construction division recorded a lower revenue of RM16.7 million in 2Q2018 compared to RM52.0 million in the same quarter last financial year. Correspondingly, PBT fell 88% to RM1.4 million from RM11.2 million. The decline in the current financial quarter results compared to 2Q2017 was mainly due to decreased volume of construction works as a result of fewer projects secured. Our rates are also generally lower as competition remains fierce.

Manufacturing Division

Sales from manufacturing division has reduced by 2% to RM7.6 million in 2Q2018 as compared to RM7.8 million in the same financial quarter last year. However, PBT was 54% lower at RM0.6 million compared to RM1.3 million in 2Q2017. The reduction in profit was mainly due to declining margins as a result of higher material costs and increased operating expenditure. The average inventory cost for tinplate increased sharply by 43% compared to the same period last year.



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

For the financial period ended 31 December 2017, the Group recorded a revenue and PBT of RM43.5 million and RM6.4 million respectively. These results represent 64% and 79% decrease in revenue and profit respectively compared to the corresponding period ended 31 December 2016. The shortfall was mainly due to the reasons set out in Note 14(a) above.

Construction Division

The construction division recorded a lower revenue of RM28.4 million compared to RM104.6 million last financial year. Consequently, PBT reduced by 93% to RM1.7 million from RM22.9 million last financial year. The decline in revenue and profit were mainly due to the reasons set out in Note 14(a) above.

Manufacturing Division

Sales from manufacturing division increased by 1% to RM15.0 million as compared to previous corresponding period of RM14.9 million. However, PBT was 50% lower at RM1.2 million compared to RM2.4 million in the last year's corresponding period. The profit for the current financial period was mainly affected by the reasons set out in Note 14(a) above.

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

	Current Quarter 31.12.2017 RM'000	Immediate Preceding Quarter 30.09.2017 RM'000	Variance (%)
Revenue	24,275	19,178	27%
Profit before taxation	2,557	3,882	-34%

For the 2nd financial quarter under review, the Group recorded a higher revenue of RM24.3 million as compared to RM19.2 million recorded in the immediate preceding quarter. The increase in revenue was mainly attributed to increase in implementation of construction projects. Despite the higher revenue generated, the Group's PBT of RM2.6 million was 34% lower compared to the immediate preceding quarter. The lower profits in the current financial quarter was substantially due to the much lower investment income of RM0.60 million against RM3.0 million in the immediate preceding quarter.

16. Prospects for the Current Financial Year

Construction activities for the next two financial quarters are expected to be better compared to the previous two financial quarters when our on-going projects are in full swing. We will continue to replenish our order book in order to increase the utilisation of our construction capacity. Tendering activities are still robust despite a general slowdown in the property sector and will be further boosted by some of the major rail contracts such as the ECRL, MRT, LRT and HSR. The Board expects labour and material costs to increase with labour and staff shortages worsening. Foreign-based players, in particular from China, have increasingly been much more active with their numbers also increasing. These factors will have a negative impact on our profitability.

On the manufacturing front, the Board expects the remaining financial quarters to remain difficult and challenging with increased tinplate prices. We are unable to maintain margins through timely adjustment in selling prices despite escalating costs due to the generally subdued sentiments in the market. The effective control of cost will become very crucial. For the domestic market, we foresee competition to continue to be keen and the price pressure is also expected to be amplified. We are attempting to expand our export market to compensate for the slower domestic market.

Barring unforeseen circumstance, the Board of Directors is of the opinion that the Group's results will remain profitable for the remaining financial period of the financial year ending 30 June 2018.

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

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



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18. Taxation

Taxation comprises the following: -

	Current quarter ended 31.12.2017 RM'000	Cumulative quarter ended 31.12.2017 RM'000
Current taxation	(1,357)	(2,112)
Deferred taxation	621	1,250
	<u>(736)</u>	<u>(862)</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	24	24
Tax effects of:		
- income not subject to tax	-	(8)
- expenses not deductible for tax purposes	5	3
- utilisation of previously unrecognised deferred tax assets	-	(6)
Average effective tax rate	<u>29</u>	<u>13</u>

19. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

20. Group borrowings and Debt Securities

The Group does not have any borrowings or debt securities as at 31 December 2017.

21. Derivative Financial Instrume

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 2017.

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.

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(Incorporated in Malaysia)

Interim financial statements for the six months ended 31 December 2017**25. Earnings Per Share**

Basic earnings per share is calculated by dividing the Group's profit attributable to equity holders by the weighted average number of ordinary shares in issue during the financial period.

	Current quarter ended 31.12.2017	Cumulative quarter ended 31.12.2017
- Profit attributable to equity holders of the Company (RM'000)	1,821	5,577
- Weighted average number of ordinary shares in issue ('000)	164,990	164,990
- Basic earnings per share (sen)	1.1	3.4

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.

- Profit attributable to equity holders of the Company (RM'000)	1,821	5,577
- Weighted average number of ordinary shares in issue ('000)	164,990	164,990
Effect of dilution arising from ESOS ('000)	494	494
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>165,484</u>	<u>165,484</u>
- Diluted earnings per share (sen)	1.1	3.4

26. Realised and Unrealised Profits/Losses Disclosure

	As at 31.12.2017 RM'000	As at 30.06.2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	141,730	157,297
- Unrealised	(6,742)	(7,898)
	<u>134,988</u>	<u>149,399</u>
Add: Consolidation adjustments	7,750	7,575
Total group retained profits as per consolidated accounts	<u>142,738</u>	<u>156,974</u>



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27. Profit before Taxation

	Current quarter ended 31.12.2017 RM'000	Cumulative quarter ended 31.12.2017 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
(a) Interest income	(999)	(2,025)
(b) Other income including investment income		
- dividend income	(567)	(1,223)
- gain on disposals of property, plant and equipment	4	(135)
(c) Interest expenses	N/A	N/A
(d) Depreciation of property, plant and equipment and investment properties	3,326	6,809
(e) Provision for impairment of receivables	120	240
(f) Inventories written off	30	43
(g) Gain or loss on disposal of quoted or unquoted investments or properties		
- loss/(gain) on disposals of available-for-sale financial assets	510	(943)
- 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	282	282
(i) Net loss/(gain) on foreign exchange	109	90
(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
23 February 2018