

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the six months ended 31 December 2019

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
For the Financial Period Ended 31 December 2019

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Revenue	126,127	88,223	217,022	126,844
Cost of sales	<u>(104,388)</u>	<u>(74,709)</u>	<u>(177,798)</u>	<u>(108,973)</u>
Gross profit	21,739	13,514	39,224	17,871
Other operating income	2,040	531	3,547	7,960
Administrative expenses	(2,476)	(1,975)	(4,980)	(3,326)
Other operating expenses	1,527	(8,073)	(4,686)	(12,781)
Finance cost	<u>(293)</u>	<u>(252)</u>	<u>(558)</u>	<u>(409)</u>
Profit before taxation	22,537	3,745	32,547	9,315
Taxation	<u>1,433</u>	<u>(1,582)</u>	<u>(3,011)</u>	<u>(4,352)</u>
Profit for the period	<u>23,970</u>	<u>2,163</u>	<u>29,536</u>	<u>4,963</u>
Other comprehensive income:				
Foreign currency translation differences	123	27	(298)	89
	<u>123</u>	<u>27</u>	<u>(298)</u>	<u>89</u>
Total comprehensive income for the period	<u>24,093</u>	<u>2,190</u>	<u>29,238</u>	<u>5,052</u>
Profit attributable to:				
Equity holders of the Company	<u>23,970</u>	<u>2,163</u>	<u>29,536</u>	<u>4,963</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>24,093</u>	<u>2,190</u>	<u>29,238</u>	<u>5,052</u>
Earnings per share (sen)				
- Basic	14.4	1.3	17.8	3.0
- Diluted	<u>14.4</u>	<u>1.3</u>	<u>17.8</u>	<u>3.0</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 2019.

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the six months ended 31 December 2019

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

As at 31 December 2019

	As at 31.12.2019 RM'000	As at 30.06.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	153,801	135,397
Right-of-use assets	7,972	-
Investment properties	3,495	3,879
Financial assets at fair value through profit or loss	63,409	57,063
Deferred tax assets	5,771	5,358
	<u>234,448</u>	<u>201,697</u>
Current assets		
Contract assets	3,571	287
Inventories	18,242	18,518
Tax recoverable	575	2,440
Receivables	214,180	164,866
Short-term deposits	67,230	90,835
Cash and bank balances	15,894	19,615
	<u>319,692</u>	<u>296,561</u>
TOTAL ASSETS	<u>554,140</u>	<u>498,258</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Capital and reserves		
Share capital	180,178	180,178
Exchange translation reserve	189	487
Retained earnings	147,326	137,694
Total equity	<u>327,693</u>	<u>318,359</u>
Non-current liabilities		
Borrowings	18,300	19,614
Lease liabilities	4,344	-
Deferred tax liabilities	7,089	10,385
	<u>29,733</u>	<u>29,999</u>
Current liabilities		
Contract Liabilities	16,019	13,628
Payables	142,590	110,796
Borrowings	8,400	7,630
Lease liabilities	2,137	-
Dividend payable	19,904	13,269
Taxation	7,664	4,577
	<u>196,714</u>	<u>149,900</u>
Total liabilities	<u>226,447</u>	<u>179,899</u>
TOTAL EQUITY AND LIABILITIES	<u>554,140</u>	<u>498,258</u>
Net assets per share attributable to equity holders of the Company (RM)	1.98	1.92

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019.

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

Interim financial statements for the six months ended 31 December 2019

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
For The Financial Period Ended 31 December 2019

	← Attributable to equity holders of the Company →					
	Share capital RM'000	Share option reserve RM'000	Exchange translation reserve RM'000	Available-for-sale reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 July 2019	180,178	-	487	-	137,694	318,359
Total comprehensive income for the period	-	-	(298)	-	29,536	29,238
Dividends	-	-	-	-	(19,904)	(19,904)
At 31 December 2019	<u>180,178</u>	<u>-</u>	<u>189</u>	<u>-</u>	<u>147,326</u>	<u>327,693</u>
At 1 July 2018	180,178	229	-	5,125	139,410	324,942
Effect of adoption of MFRS 9	-	-	-	(5,125)	5,125	-
At 1 July 2018 (restated)	<u>180,178</u>	<u>229</u>	<u>-</u>	<u>-</u>	<u>144,535</u>	<u>324,942</u>
Total comprehensive income for the period	-	-	89	-	4,963	5,052
Dividends	-	-	-	-	(19,904)	(19,904)
At 31 December 2018	<u>180,178</u>	<u>229</u>	<u>89</u>	<u>-</u>	<u>129,594</u>	<u>310,090</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 2019.

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the six months ended 31 December 2019

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
For The Financial Period Ended 31 December 2019

	6 months ended	
	31.12.2019	31.12.2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	29,536	4,963
Adjustments for:-		
Depreciation	14,197	8,932
Gain on disposals of property, plant and equipment	(156)	(3,036)
Loss/(gain) on disposals of financial assets at fair value through profit or loss	321	(1,056)
Fair value (gain)/loss on financial assets at fair value through profit or loss	(738)	9,401
Taxation	3,011	4,352
Other non-cash items	2,574	2,573
Other non-operating items	(896)	(2,173)
	<u>47,849</u>	<u>23,956</u>
Changes in working capital:		
Net changes in current assets	(50,175)	(39,168)
Net changes in current liabilities	<u>28,322</u>	<u>150</u>
Cash generated from/(used in) operations	25,996	(15,062)
Tax paid	(3,636)	(2,721)
Tax refunded	1,900	-
Interest paid	(558)	(409)
Interest income received	<u>561</u>	<u>1,256</u>
Net cash flows generated from operating activities	<u>24,263</u>	<u>(16,936)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(26,480)	(17,962)
Proceeds from disposal of property, plant and equipment	170	10,500
Purchases of financial assets at fair value through profit or loss	(12,335)	(51,333)
Proceeds from disposals of financial assets at fair value through profit or loss	6,406	14,700
Acquisition of subsidiary company, net of cash and cash equivalents	-	(13,207)
Dividend income received	1,015	1,597
Decrease in short-term deposits and bank balances used for investment purposes	<u>5,680</u>	<u>11,390</u>
Net cash flows used in investing activities	<u>(25,544)</u>	<u>(44,315)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(5,726)	(3,955)
Repayment of lease liabilities	(1,096)	-
Proceeds from borrowings	-	11,248
Dividends paid	<u>(13,269)</u>	<u>(13,269)</u>
Net cash flows used in financing activities	<u>(20,091)</u>	<u>(5,976)</u>
NET DECREASE IN CASH & CASH EQUIVALENTS	(21,372)	(67,227)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	102,754	167,100
CURRENCY TRANSLATION DIFFERENCES	(274)	(314)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>81,108</u>	<u>99,559</u>
Cash and cash equivalents comprise the following:		
Short-term deposits	67,230	97,574
Cash and bank balances	<u>15,894</u>	<u>6,491</u>
	<u>83,124</u>	<u>104,065</u>
Less: Cash and bank balances in custodian accounts for investment purposes	<u>(2,016)</u>	<u>(4,506)</u>
	<u>81,108</u>	<u>99,559</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 2019.



PINTARAS JAYA BERHAD (189900-H)

(Incorporated in Malaysia)

Interim financial statements for the six months ended 31 December 2019

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 2019. 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 2019.

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2019 except for those standards, amendments and interpretations which are effective for financial periods beginning on or after 1 July 2019. The initial adoption of these applicable standards, amendments and interpretations do not have any material impact on the financial statements of the Group except for the following:

MFRS 16 Leases

MFRS 16 replaces existing leases guidance in MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Agreement contains a Lease*, IC Interpretation 115 *Operating Leases - Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases within a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group adopted the simplified transition approach without restating the comparatives. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balances of statement of financial position as at 1 July 2019.

Impact of the initial application of MFRS 16

The table below shows the impact of changes to the condensed consolidated statement of financial position of the Group resulting from adoption of MFRS 16 as at 1 July 2019:

	As at 30 June 2019	Effects of MFRS 16	As at 1 July 2019
	RM'000	RM'000	RM'000
<u>Group</u>			
<u>Non-current assets</u>			
- Property, plant and equipment	135,397	(5,560)	129,837
- Right-of-use assets	-	8,153	8,153
<u>Non-current liabilities</u>			
- Borrowings	19,614	(4,617)	14,997
- Lease liabilities	-	5,440	5,440
<u>Current liabilities</u>			
- Borrowings	7,630	(418)	7,212
- Lease liabilities	-	2,188	2,188



PINTARAS JAYA BERHAD (189900-H)

(Incorporated in Malaysia)

Interim financial statements for the six months ended 31 December 2019

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 2019 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

There were no issuance and 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 RM13,269,184 in respect of the financial year ended 30 June 2019 was declared on 24 May 2019 and paid on 11 July 2019.

The final single-tier dividend of 12 sen per share amounting to RM19,903,776 in respect of the financial year ended 30 June 2019 was approved by the shareholders during the Annual General Meeting on 25 October 2019 and paid on 9 January 2020.

8. Segmental Information

	Piling, civil engineering and construction works RM'000	Manufacturing RM'000	Group RM'000
6 months ended 31 December 2019			
<u>Revenue</u>			
Construction contracts	200,252	-	200,252
Sale of goods	-	16,770	16,770
Total revenue			217,022
<u>Results</u>			
Segment results	30,849	1,255	32,104
Unallocated income			2,286
Unallocated costs			(1,285)
Finance cost			(558)
Profit before taxation			32,547
Taxation			(3,011)
Profit for the financial period			29,536

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

(Incorporated in Malaysia)

Interim financial statements for the six months ended 31 December 2019**8. Segmental Information**

	Piling, civil engineering and construction works RM'000	Manufacturing RM'000	Group RM'000
6 months ended 31 December 2018			
Revenue			
Construction contracts	109,274	-	109,274
Sale of goods	-	17,570	17,570
Total revenue			126,844
Results			
Segment results	14,029	2,050	16,079
Unallocated income			3,929
Unallocated costs			(10,284)
Finance cost			(409)
Profit before taxation			9,315
Taxation			(4,352)
Profit for the financial period			4,963

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 2019 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

Authorised capital commitments not recognised in the financial statements as at 31 December 2019 are as follows:

Approved and contracted for

13.357



PINTARAS JAYA BERHAD (189900-H)

(Incorporated in Malaysia)

Interim financial statements for the six months ended 31 December 2019

14. Review of Performance

Financial review for current quarter and financial year to date

	Individual Quarter			Cumulative Quarter		
	31.12.2019	31.12.2018	Variance	31.12.2019	31.12.2018	Variance
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue						
Construction	117,812	80,074	47%	200,252	109,274	83%
Manufacturing	8,315	8,149	2%	16,770	17,570	-5%
	<u>126,127</u>	<u>88,223</u>	43%	<u>217,022</u>	<u>126,844</u>	71%
Profit Before Taxation('PBT')						
Construction	17,976	9,749	84%	30,849	14,029	120%
Manufacturing	447	756	-41%	1,255	2,050	-39%
Others - unallocated (loss)/income-(net of finance cost)	4,114	(6,760)	-	443	(6,764)	-
	<u>22,537</u>	<u>3,745</u>	502%	<u>32,547</u>	<u>9,315</u>	249%

(a) **Current Year 2nd Quarter (2Q2020) versus Preceding Year 2nd Quarter (2Q2019)**

The Group's revenue of RM126.1 million in 2Q2020 outperformed the preceding year's corresponding quarter revenue of RM88.2 million by 43%. The Group's overall profit before taxation('PBT') was higher by 502% in 2Q2020 at RM22.5 million, compared to RM3.7 million in 2Q2019. The marked improvement in these results is mainly due to significant improvement in contribution by the construction division and higher investment income.

Construction Division

The construction division achieved a notably higher revenue of RM117.8 million in 2Q2020 compared to RM80.1 million in the same quarter last financial year. PBT rose in tandem to RM18.0 million or 84% higher than RM9.7 million in 2Q2019. The increase of both revenue and profit is mainly due to greatly increased construction activities and higher progress profits recognised from on-going projects which have advanced beyond the initial stages of implementation.

Manufacturing Division

Sales from manufacturing division has increased by 2% to RM8.3 million in 2Q2020 as compared to RM8.1 million in the same financial quarter last year. However, PBT was 41% lower at about RM0.5 million compared to RM0.8 million in 2Q2019. The reduction in profit was mainly due to declining margins as a result of higher material costs.

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

For the six months ended 31 December 2019, the Group's revenue increased by 71% to RM217.0 million from RM126.8 million in the preceding financial year. Correspondingly, the PBT of RM32.5 million outperformed earnings for the same period last financial year by 249%, spurred mainly by the strong performance from construction division and better results recorded for quoted investments. Contribution from the manufacturing division, however, was lower.

Construction Division

The construction division achieved a substantially higher revenue of RM200.3 million compared to RM109.3 million last financial year. Consequently, PBT soared by 120% to RM30.8 million from RM14.0 million last financial year. The increase in revenue and PBT were mainly due to increased volume of construction works.

Manufacturing Division

The manufacturing division recorded a revenue and PBT of RM16.8 million and RM1.3 million, representing a decrease of 5% and 39% respectively compared to last financial year. The decline was mainly due to lower sales volume and tighter margins as a result of higher material costs.



PINTARAS JAYA BERHAD (189900-H)

(Incorporated in Malaysia)

Interim financial statements for the six months ended 31 December 2019

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

	Current Quarter 31.12.2019 RM'000	Immediate Preceding Quarter 30.09.2019 RM'000	Variance (%)
Revenue	126,127	90,985	39%
Profit before taxation	22,537	10,010	125%

For the 2nd financial quarter under review, the Group recorded a higher revenue and profit before taxation of RM126.1 million and RM22.5 million, representing an increase of 39% and 125% respectively compared to the immediate preceding quarter. The improvement over immediate preceding quarter was mainly due to higher volume of construction works and better results recorded for quoted investment. Contribution from the manufacturing division, however, was lower.

16. Prospects for the Current Financial Year

Current sentiments for the construction sector in Malaysia remain depressed. Potential mega projects such as HSR, MRT3, RTS and Bandar Malaysia are awaiting decisions on their implementation. The property sector continues to be sluggish and expected to be so for sometime.

The construction demand in Singapore for calendar year 2020 is expected to improve slightly compared to calendar year 2019. Job flows from infrastructure, industrial, public and private housing remain strong. The Covid-19 virus hopefully will be contained quickly and its adverse effects temporary.

The Group's estimated outstanding construction order book is currently worth RM330 million whereas the tender book value stands at about RM3.3 billion. The Board is positive on the performance of the Group in FY2020 as the current order book is expected to support the Group's financial performance in FY2020.

On the manufacturing front, the Board expects our metal container operations to be challenging. The increase in tinplate price has negatively impacted profits in previous quarters. However, profit margins are expected to improve for the upcoming quarters as tinplate price is anticipated to soften this year.

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 was no profit forecast/profit guarantee issued by the Group.

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

(Incorporated in Malaysia)

Interim financial statements for the six months ended 31 December 2019**18. Taxation**

Taxation comprises the following: -

	Current quarter ended 31.12.2019 RM'000	Cumulative quarter ended 31.12.2019 RM'000
Current taxation:		
-Current financial period		
-Malaysian taxation	1,608	2,744
-Foreign taxation	2,750	3,965
	<u>4,358</u>	<u>6,709</u>
Deferred taxation:		
-Current financial period	(1,340)	(983)
-Overprovision in prior financial period/year	(4,451)	(2,715)
	<u>(5,791)</u>	<u>(3,698)</u>
	<u>(1,433)</u>	<u>3,011</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:		
- effect of tax rates in foreign jurisdictions	(5)	(6)
- income not subject to tax	(1)	(1)
- expenses not deductible for tax purposes	(4)	1
- over provision in prior financial period	(20)	(8)
- tax incentives and rebates	-	(1)
Average effective tax rate	<u>(6)</u>	<u>9</u>

The Group's effective tax rate for the current quarter and cumulative period is lower than the statutory tax rate due to lower tax rate of certain subsidiaries of the Group where they operate and a reversal of deferred tax liabilities recorded in the previous periods arising from changes in the tax base for certain assets under hire purchase.

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's borrowings as at 31 December 2019 are as follows:

	Foreign Currency SGD'000	RM Equivalent RM'000
Current portion (secured):		
Finance lease liabilities (Hire purchase)	2,700	8,211
Term loans	62	189
		<u>8,400</u>
Non-current portion (secured):		
Finance lease liabilities (Hire purchase)	5,246	15,953
Term loans	772	2,347
		<u>18,300</u>
		<u>26,700</u>

21. Derivative Financial Instrument

The Group has no derivative financial instruments for the current financial period ended 31 December 2019.

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

(Incorporated in Malaysia)

Interim financial statements for the six months ended 31 December 2019**22. Fair Value Changes of Financial Liabilities**

There are no financial liabilities measured at fair value through profit or loss as at 31 December 2019.

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 financial quarter under review.

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 31.12.2019	Cumulative quarter ended 31.12.2019
- Profit attributable to equity holders of the Company (RM'000)	23,970	29,536
- Weighted average number of ordinary shares in issue ('000)	165,865	165,865
- Basic earnings per share (sen)	14.4	17.8

The Group does not have in issue any financial instruments or other contracts that may entitle its holder to ordinary shares and therefore dilute its basic earnings per share.

26. Profit before Taxation

	Current quarter ended 31.12.2019 RM'000	Cumulative quarter ended 31.12.2019 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
(a) Interest income	(240)	(484)
(b) Other income including investment income		
- dividend income	(372)	(970)
- gain on disposals of property, plant and equipment	(6)	(156)
(c) Interest expenses	293	558
(d) Depreciation	7,766	14,197
(e) Provision for impairment of receivables	120	240
(f) Inventories written off	21	46
(g) Loss on disposals of financial assets at fair value through profit or loss	312	321
(h) Fair value gain on financial assets at fair value through profit or loss	(4,475)	(738)
(i) Net loss on foreign exchange	11	328

By order of the Board

KHOO YOK KEE

Executive Director

Shah Alam

21 February 2020