

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the three months ended 30 September 2020

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
For the Financial Period Ended 30 September 2020

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Revenue	70,320	90,895	70,320	90,895
Cost of sales	<u>(59,084)</u>	<u>(73,410)</u>	<u>(59,084)</u>	<u>(73,410)</u>
Gross profit	11,236	17,485	11,236	17,485
Other operating income	8,364	1,507	8,364	1,507
Administrative expenses	(2,801)	(2,504)	(2,801)	(2,504)
Other operating expenses	(2,468)	(6,213)	(2,468)	(6,213)
Finance cost	<u>(326)</u>	<u>(265)</u>	<u>(326)</u>	<u>(265)</u>
Profit before taxation	14,005	10,010	14,005	10,010
Taxation	<u>(1,465)</u>	<u>(4,444)</u>	<u>(1,465)</u>	<u>(4,444)</u>
Profit for the period	<u>12,540</u>	<u>5,566</u>	<u>12,540</u>	<u>5,566</u>
Other comprehensive income:				
Foreign currency translation differences	<u>(1,033)</u>	<u>(421)</u>	<u>(1,033)</u>	<u>(421)</u>
	<u>(1,033)</u>	<u>(421)</u>	<u>(1,033)</u>	<u>(421)</u>
Total comprehensive income for the period	<u>11,507</u>	<u>5,145</u>	<u>11,507</u>	<u>5,145</u>
Profit attributable to:				
Equity holders of the Company	<u>12,540</u>	<u>5,566</u>	<u>12,540</u>	<u>5,566</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>11,507</u>	<u>5,145</u>	<u>11,507</u>	<u>5,145</u>
Earnings per share (sen)				
- Basic	<u>7.6</u>	<u>3.4</u>	<u>7.6</u>	<u>3.4</u>
- Diluted	<u>7.6</u>	<u>3.4</u>	<u>7.6</u>	<u>3.4</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 2020.

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the three months ended 30 September 2020

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

As at 30 September 2020

	As at 30.09.2020 RM'000	As at 30.06.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	181,146	173,225
Investment properties	3,382	3,460
Financial assets at fair value through profit or loss	38,294	40,332
Deferred tax assets	<u>3,968</u>	<u>3,739</u>
	<u>226,790</u>	<u>220,756</u>
Current assets		
Contract assets	1,849	1,269
Inventories	16,865	18,758
Tax recoverable	40	612
Receivables	163,899	155,246
Short-term deposits	91,342	82,754
Cash and bank balances	<u>27,891</u>	<u>29,154</u>
	<u>301,886</u>	<u>287,793</u>
TOTAL ASSETS	<u>528,676</u>	<u>508,549</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Capital and reserves		
Share capital	180,178	180,178
Exchange translation reserve	(8)	1,025
Retained earnings	<u>155,386</u>	<u>142,846</u>
Total equity	<u>335,556</u>	<u>324,049</u>
Non-current liabilities		
Borrowings	28,528	32,006
Deferred tax liabilities	<u>5,867</u>	<u>6,385</u>
	<u>34,395</u>	<u>38,391</u>
Current liabilities		
Contract Liabilities	18,867	18,687
Payables	118,487	99,774
Borrowings	12,788	13,055
Lease liabilities	226	457
Dividend payable	-	6,635
Taxation	<u>8,357</u>	<u>7,501</u>
	<u>158,725</u>	<u>146,109</u>
Total liabilities	<u>193,120</u>	<u>184,500</u>
TOTAL EQUITY AND LIABILITIES	<u>528,676</u>	<u>508,549</u>
Net assets per share attributable to equity holders of the Company (RM)	2.02	1.95

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020.

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

Interim financial statements for the three months ended 30 September 2020

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
For The Financial Period Ended 30 September 2020

	← Attributable to equity holders of the Company →			
	Share capital RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 July 2020	180,178	1,025	142,846	324,049
Total comprehensive income for the period	-	(1,033)	12,540	11,507
At 30 September 2020	<u>180,178</u>	<u>(8)</u>	<u>155,386</u>	<u>335,556</u>
At 1 July 2019	180,178	487	137,694	318,359
Total comprehensive income for the period	-	(421)	5,566	5,145
At 30 September 2019	<u>180,178</u>	<u>66</u>	<u>143,260</u>	<u>323,504</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 2020.

**PINTARAS JAYA BERHAD**(189900H)

Interim financial statements for the three months ended 30 September 2020

*(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
For The Financial Period Ended 30 September 2020

	3 months ended	
	30.09.2020	30.09.2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	12,540	5,566
Adjustments for:-		
Depreciation	7,365	6,431
Provision for impairment on receivables	120	120
Gain on disposals of property, plant and equipment	-	(150)
(Gain)/loss on disposals of financial assets at fair value through profit or loss	(890)	9
Fair value (gain)/loss on financial assets at fair value through profit or loss	(4,961)	3,737
Taxation	1,465	4,444
Other non-cash items	1,783	(1,583)
Other non-operating items	(163)	(577)
	<u>17,259</u>	<u>17,997</u>
Changes in working capital:		
Net changes in current assets	(8,444)	(14,496)
Net changes in current liabilities	11,816	6,697
Cash generated from operations	<u>20,631</u>	<u>10,198</u>
Tax paid	(1,242)	(1,192)
Tax refunded	538	1,900
Interest paid	(323)	(265)
Interest income received	228	307
Net cash flows generated from operating activities	<u>19,832</u>	<u>10,948</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(8,602)	(9,920)
Proceeds from disposal of property, plant and equipment	-	150
Purchases of financial assets at fair value through profit or loss	(22,857)	(7,939)
Proceeds from disposals of financial assets at fair value through profit or loss	30,744	3,271
Dividend income received	402	569
(Increase)/decrease in short-term deposits and bank balances used for investment purposes	(3,647)	4,527
Net cash flows used in investing activities	<u>(3,960)</u>	<u>(9,342)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(11,301)	(2,535)
Repayment of lease liabilities	(231)	(108)
Dividends paid	-	(13,269)
Net cash flows used in financing activities	<u>(11,532)</u>	<u>(15,912)</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	4,340	(14,306)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	100,089	102,754
CURRENCY TRANSLATION DIFFERENCES	(662)	(65)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>103,767</u>	<u>88,383</u>
Cash and cash equivalents comprise the following:		
Short-term deposits	91,342	66,823
Cash and bank balances	<u>27,891</u>	<u>24,729</u>
	<u>119,233</u>	<u>91,552</u>
Less: Cash and bank balances in custodian accounts for investment purposes	<u>(15,466)</u>	<u>(3,169)</u>
	<u>103,767</u>	<u>88,383</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 2020.



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 2020. 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 2020.

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 2020 except for those standards, amendments and interpretations which are effective for financial periods beginning on or after 1 July 2020. The initial adoption of these applicable standards, amendments and interpretations do not have any material impact on the financial statements of the Group.

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 2020 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 4 sen per share amounting to RM6,634,592 in respect of the financial year ended 30 June 2020 was declared on 29 May 2020 and paid on 15 July 2020.



PINTARAS JAYA BERHAD (189900-H)

(Incorporated in Malaysia)

Interim financial statements for the three months ended 30 September 2020

8. Segmental Information

	Piling, civil engineering and construction works RM'000	Manufacturing RM'000	Group RM'000
3 months ended 30 September 2020			
<u>Revenue</u>			
Construction contracts	61,957	-	61,957
Sale of goods	-	8,363	8,363
Total revenue			70,320
<u>Results</u>			
Segment results	5,784	1,199	6,983
Unallocated income			7,975
Unallocated costs			(627)
Finance cost			(326)
Profit before taxation			14,005
Taxation			(1,465)
Profit for the financial period			12,540
3 months ended 30 September 2019			
<u>Revenue</u>			
Construction contracts	82,440	-	82,440
Sale of goods	-	8,455	8,455
Total revenue			90,895
<u>Results</u>			
Segment results	12,873	808	13,681
Unallocated income			888
Unallocated costs			(4,294)
Finance cost			(265)
Profit before taxation			10,010
Taxation			(4,444)
Profit for the financial period			5,566

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 30 September 2020 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.



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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 30 September 2020.

14. Review of Performance

Financial review for current quarter and financial year to date

	Individual Quarter			Cumulative Quarter		
	30.09.2020 RM'000	30.09.2019 RM'000	Variance (%)	30.09.2020 RM'000	30.09.2019 RM'000	Variance (%)
Revenue						
Construction	61,957	82,440	-25%	61,957	82,440	-25%
Manufacturing	8,363	8,455	-1%	8,363	8,455	-1%
	70,320	90,895	-23%	70,320	90,895	-23%
Profit Before Taxation('PBT')						
Construction	5,784	12,873	-55%	5,784	12,873	-55%
Manufacturing	1,199	808	48%	1,199	808	48%
Others - unallocated income/(loss)-(net of finance cost)	7,022	(3,671)	-	7,022	(3,671)	-
	14,005	10,010	40%	14,005	10,010	40%

For the three months ended 30 September 2020, the Group registered total revenue of RM70.3 million which is approximately 23% lower compared to RM90.9 million in the preceding financial year corresponding quarter. The lower revenue recorded in the current financial quarter was primarily due to lower productivity from construction activities. Nevertheless, the Group recorded a higher PBT of RM14.0 million for current financial quarter. This represents an increase of RM4.0 million or 40% from the PBT of RM10.0 million registered in the corresponding quarter of the preceding financial year. The improvement in profit over the preceding comparative financial quarter was attributable to significantly higher investment income coupled with better performance achieved by the manufacturing division.

Divisional performance was as follows:-

Construction Division

The construction division recorded a lower revenue of RM62.0 million compared to RM82.4 million in preceding financial year corresponding quarter. Consequently, PBT reduced by 55% to RM5.8 million from RM12.9 million in the last corresponding quarter. The decline was mainly due to the impact of the Covid-19 pandemic. Although construction activities have progressively resumed since the relaxation of the Covid-19 movement restriction, it has yet to reach full swing on site during the current financial quarter resulting in lower revenue and profit as compared to previous corresponding financial quarter.

Manufacturing Division

Sales from the manufacturing division has reduced marginally by 1% to RM8.4 million in current financial quarter as compared to RM8.5 million in the same financial quarter last year. Despite the lower revenue generated, PBT was 48% higher at RM1.2 million compared to RM0.8 million in the same financial quarter last year. The increase in profit was mainly due to better margin achieved as a result of lower material costs and decreased operating expenditure.



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

	Current Quarter 30.09.2020 RM'000	Immediate Preceding Quarter 30.06.2020 RM'000	Variance (%)
Revenue	70,320	25,863	172%
Profit before taxation	14,005	4,922	185%

For the 1st financial quarter under review, the Group recorded a higher revenue and PBT of RM70.3 million and RM14.0 million, representing an increase of 172% and 185% respectively compared to the immediate preceding quarter. The improvement over the preceding financial quarter was mainly due to the resumption of normal business operation for both construction and manufacturing divisions after the Covid-19 movement restriction orders were lifted in Malaysia and Singapore. In addition, contribution from investment income was higher in the current financial quarter.

16. Prospects for the Current Financial Year

The recent Budget 2021 announcement in November 2020 indicates that the government of Malaysia is committed to continue works for the announced mega-infrastructure projects, which include the MRT 3 and Johor-Singapore RTS. The revival of the MRT 3 and RTS projects can provide some boost to economic growth. However, there was no firm decision made on the Kuala Lumpur-Singapore high speed rail (HSR) nor new announcements of mega infrastructure projects. The recovery for the construction sector is expected to be sluggish as the Malaysia government re-imposed a stricter level of Covid-19 curb (CMCO) to many states.

The Board expects a positive outlook for the Singapore operation as all projects have restarted by September 2020 and is currently operating at full capacity after seven weeks halt in construction activities imposed by the Circuit Breaker. Overall, the Singapore construction sector is expected to remain strong as demand continues to grow from public and private job flows. Public sector projects for infrastructure, industrial and housing purposes are all equally active. With our newly secured jobs announced in November 2020, we should have full utilisation of our equipment in Singapore in FY2021.

The Group's estimated outstanding construction order book currently exceeds RM500 million whereas the tender book value stands at about RM2.5 to 3 billion. The Board is positive on the performance of the construction division in FY2021 as the current order book is expected to support the Group's financial performance in FY2021.

On the manufacturing front, the Board expects the metal container operation to continue to provide the Group with a steady source of income based on stable domestic demand. We continue to develop on our product range, markets, efficiencies and quality.

The Board of Directors is of the opinion that the Group's financial results will remain profitable for the remaining financial period of the financial year ending 30 June 2021.

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

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



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18. Taxation

Taxation comprises the following: -

	Current quarter ended 30.09.2020 RM'000	Cumulative quarter ended 30.09.2020 RM'000
Current taxation	2,223	2,223
Deferred taxation	(758)	(758)
	<u>1,465</u>	<u>1,465</u>

The reconciliation between the effective tax rate and the Malaysian statutory tax rate are as follows:

	Current quarter ended %	Cumulative quarter ended %
Statutory income tax rate	24	24
Tax effects of:		
- effect of tax rates in foreign jurisdictions	(3)	(3)
- income not subject to tax	(12)	(12)
- expenses not deductible for tax purposes	2	2
- tax incentives and rebates	(1)	(1)
Effective tax rate	<u>10</u>	<u>10</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's borrowings as at 30 September 2020 are as follows:

	Foreign Currency SGD'000	RM Equivalent RM'000
Current portion (secured):		
Finance lease liabilities (Hire purchase)	3,992	12,116
Term loans	221	<u>672</u>
		<u>12,788</u>
Non-current portion (secured):		
Finance lease liabilities (Hire purchase)	7,377	22,389
Term loans	2,022	<u>6,139</u>
		<u>28,528</u>
		<u>41,316</u>

21. Derivative Financial Instrument

The Group has no derivative financial instruments for the current financial period ended 30 September 2020.

22. Fair Value Changes of Financial Liabilities

There are no financial liabilities measured at fair value through profit or loss as at 30 September 2020.



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23. Changes in Material Litigation

There have been no significant developments in material litigation since the date of the last audited statement of financial position to the date of this announcement.

24. Dividend

The Shareholders have approved the final single-tier dividend of 6 sen per share in respect of the financial year ended 30 June 2020 at the Annual General Meeting held on 27 November 2020. The said dividend shall be paid on 7 January 2021.

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 30.09.2020	Cumulative quarter ended 30.09.2020
- Profit attributable to equity holders of the Company (RM'000)	12,540	12,540
- Weighted average number of ordinary shares in issue ('000)	165,865	165,865
- Basic earnings per share (sen)	7.6	7.6

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 30.09.2020 RM'000	Cumulative quarter ended 30.09.2020 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
(a) Interest income	(222)	(222)
(b) Other income including investment income - dividend income	(267)	(267)
(c) Interest expenses	326	326
(d) Depreciation	7,365	7,365
(e) Provision for impairment of receivables	120	120
(f) Inventories written off	46	46
(g) Gain on disposals of financial assets at fair value through profit or loss	(890)	(890)
(h) Fair value gain on financial assets at fair value through profit or loss	(4,961)	(4,961)
(i) Net (gain)/loss on foreign exchange	641	641

By order of the Board

KHOO YOK KEE
Executive Director

Shah Alam
27 November 2020