



QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

NOTES (In compliance with FRS 134)

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”). The interim financial report should be read in conjunction with the Company’s annual audited financial statements for the year ended 31 December 2010.

The accounting policies and methods of computation adopted by the Group in this report are consistent with those adopted in the annual audited financial statements for the year ended 31 December 2010.

2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report on the financial statements for the year ended 31 December 2010 was not subject to any qualification.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Group are generally subject to cyclical changes of the general Malaysian economy.

4. EXCEPTIONAL OR EXTRAORDINARY ITEMS

There were no exceptional or extraordinary items for the current period.

5. CHANGES IN ESTIMATES

There were no changes in estimates of amount reported in previous financial year that have a material effect in the current quarter.

6. DEBTS AND EQUITY SECURITIES

The Company has bought back a total of 995,700 ordinary shares of RM0.20 each in the current quarter. As at 31 December 2011, 2,875,300 ordinary shares of RM0.20 each were still retained as treasury shares in the Company.

The Company issued 10,000 new ordinary shares of RM0.20 each, under the Employee's Share Option Scheme ("ESOS") for the current quarter ended 31 December 2011. As at 31 December 2011, a total of 10,000 new ordinary shares of RM0.20 each have been issued under the ESOS.

7. DIVIDENDS PAID DURING THE PERIOD

The final single tier dividend of 15% (or 3.0 sen) per share amounting to RM12,244,185 in respect of the financial year ended 31 December 2010 based on 411,238,500 ordinary shares of RM0.20 each less treasury shares, was paid on 15 July 2011.

For the financial year ended 31 December 2011, the first interim single tier dividend of 15% (or 3.0 sen) per share amounting to RM12,244,185 based on 411,238,500 ordinary shares of RM0.20 each less treasury shares, was paid on 22 July 2011. The second interim single tier dividend of 12.5% (or 2.5 sen) per share amounting to RM13,648,915 based on 548,316,466 ordinary shares of RM0.20 each less treasury shares, was paid on 20 October 2011.

8. SEGMENTAL INFORMATION

The segmental analysis for the Group is as follows:-

	12 MONTHS ENDED 31 DEC 11 RM'000	12 MONTHS ENDED 31 DEC 10 RM'000
REVENUE :		
Construction	1,300,492	797,016
Manufacturing	51,474	54,064
Trading and Plant hiring	75,807	68,970
Property development	45,015	20,610
	<u>1,472,788</u>	<u>940,660</u>
Elimination of inter segment sales	(125,729)	(70,232)
Total Revenue	<u>1,347,059</u>	<u>870,428</u>
RESULTS :		
Construction	282,502	257,240
Manufacturing	9,321	6,052
Trading and Plant hiring	2,326	2,846
Property development	1,759	(3,710)
	<u>295,908</u>	<u>262,428</u>
Interest income	3,572	4,560
Other Income	8,009	2,945
Foreign exchange (loss)/gain	(7,580)	12,312
Provision for and write off of receivables	-	(1,758)
Depreciation and amortization	(2,787)	(2,599)
Share of result of associate	(3,174)	498
	<u>293,948</u>	<u>278,386</u>
Income tax expenses	(17,020)	(41,388)
Profit from continuing operations	<u>276,928</u>	<u>236,998</u>

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The carrying amount of the property, plant and equipment is at cost less depreciation and impairment losses.

10. SUBSEQUENT EVENTS

There were no material events subsequent to the current quarter.

11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current period.

12. CONTINGENT LIABILITIES

There were no contingent liabilities as at the end of the current quarter.

NOTES (Pursuant to paragraph 9.22 of the Listing Requirements of BMSB)

13. REVIEW OF PERFORMANCE

The Group achieved revenue of RM1,347.1 million and profit before taxation (“PBT”) of RM293.9 million for the twelve months period ended 31 December 2011, as compared to RM870.4 million and RM278.4 million respectively for the previous corresponding period.

The increased in revenue and PBT were attributable to the following segments of the Group:-

Construction segment : The revenue of RM1,187.6 million in the current year increased substantially as compared to the previous corresponding period of RM733.5 million. This was mainly due to the delivery of major equipment components of the Equipment Procurement contract for the 4 x 360MW coal-fired power plant at Chhattisgarh, India. The PBT increased slightly to RM280.5 million in the current year as compared to RM273.2 million in the previous corresponding period. The PBT for the current year was affected by the generally lower profit margin of construction activities in the current year, currency translation losses arising from the weaker Ringgit Malaysia (RM) against US Dollar (USD), employee benefits expenses under ESOS and the sharing of the pre-operational expenses in the associated company, RKM Powergen Pte Ltd. .

Manufacturing segment : The revenue and PBT increased from RM49.1 million and RM6.1 million in previous corresponding period to RM50.0 million and RM9.3 million in the current year. The manufacturing revenue has been fairly consistent but the higher PBT was mainly due to the gain on disposal of quarry rights in the quarrying business in the current year.

Trading segment : The current year reported revenue of RM75.8 million with RM2.3 million in PBT, as compared to RM67.2 million in revenue with RM2.8 million in PBT in the previous corresponding period. Despite the slightly higher revenue generated, the PBT dropped slightly mainly due to lower profit margin generated arising from the volatility of the construction materials prices.

Property development segment : This segment reported revenue and PBT of RM33.6 million and RM 1.8 million respectively in the current year as compared to revenue of RM20.6 million and loss before taxation of RM3.7 million in the previous corresponding period. The higher sales revenue has resulted in a slight profit in the current year.

14. COMPARISON WITH PRECEDING QUARTER'S REPORT

The Group achieved revenue of RM430.7 million and profit before taxation ("PBT") of RM82.5 million for the current quarter ended 31 December 2011, as compared to RM337.2 million and RM80.4 million respectively for the preceding quarter.

The increase in revenue and PBT were mainly attributable to the following segments of the Group:-

Construction segment : The revenue of RM405.9 million in current quarter increased as compared to the preceding quarter of RM301.0 million. This was mainly due to the delivery of major equipment components of the Equipment Procurement contract for the 4 x 360MW coal-fired power plant at Chhattisgarh, India. The PBT increased slightly to RM78.7 million in the current quarter as compared to RM75.8 million in the preceding quarter. The PBT for the current quarter was affected by the generally lower profit margin of construction activities and employee benefits expenses under ESOS in the current quarter.

Manufacturing segment : The revenue of RM7.7 million in the current quarter was slightly lower than the preceding quarter's revenue of RM10.1 million but the PBT increased slightly from RM2.6 million in the preceding quarter to RM4.0 million in the current quarter. The higher PBT was mainly due to the gain on disposal of quarry rights in the quarrying business in the current quarter.

Trading segment : The segment reported revenue of RM12.3 million and PBT of RM0.6 million in the current quarter as compared to RM19.2 million and RM0.5 million respectively in the preceding quarter. The lower revenue in the current quarter was mainly due to the completion of the KL-Kuala Selangor Expressway and KLIA Spurline projects in the 3rd quarter of 2011.

Property development segment : The segment reported revenue of RM4.8 million and Loss before taxation of RM0.8 million in the current quarter as compared to revenue of RM6.9 million and PBT of RM1.5 million in the preceding quarter. This was mainly due to lower sales recorded in the current quarter as compared to the preceding quarter.

15. PROSPECTS

Despite the global crisis affecting the European countries and the US, the construction sector in Malaysia looks promising. The Government of Malaysia has launched many Economic Transformation Programme (ETP) projects which may benefit the Group in the coming years. Some of the projects being targeted by the Group are highways, Mass Rapid Transit (MRT), power plants and infrastructure projects.

Currently, Mudajaya has commenced civil construction work on the 1,000MW Coal-Fired Janamanjung power plant project, which will keep the Group busy for the next few years. Mudajaya has also just secured the civil construction work on the 1,000MW Coal-Fired Tanjung Bin power plant project. The power sector looks exciting as a few other power plants are in the pipe-line to be built in the country. Mudajaya hopes to participate in some of these projects as well. As Mudajaya's activities in the construction, manufacturing, trading and property development segments are inter-related, most of the segments are expected to perform better in the coming years.

Barring any unforeseen circumstances, the financial performance of the Group for 2012 is expected to improve further, as the Group is confident in securing more projects.

16. VARIANCE ON PROFIT FORECAST

Not applicable.

17. TAXATION

	CURRENT QUARTER ENDED 31 DEC 2011 RM'000	CUMULATIVE PERIOD TO DATE ENDED 31 DEC 2011 RM'000
Current income tax:		
- Malaysia income tax	96	17,020

The Group's effective tax rate of 5.8% is lower than the Malaysian statutory tax rate of 25% mainly due to foreign source income which is not subject to Malaysian taxation and reversal of tax over-provided previously.

18. STATUS OF CORPORATE PROPOSALS

There were no outstanding corporate proposals as at the date of this report.

19. GROUP BORROWING

There were no outstanding bank borrowings as at the end of the current quarter.

20. CHANGES IN MATERIAL LITIGATION

The Group does not have any material litigation as at the date of this report.

24. DIVIDEND

The Board of Directors has on 18 February 2011 recommended a final single tier dividend of 15% (or 3.0 sen) per share of RM0.20 each in respect of financial year ended 31 December 2010. The dividend book closure and payment dates were on 23 June 2011 and 15 July 2011 respectively. The above recommendations were approved by the shareholders at the AGM on 22 June 2011.

The Board of Directors has on 27 May 2011 declared the first interim single tier dividend of 15% (or 3.0 sen) per share of RM0.20 each in respect of the financial year ended 31 December 2011. The dividend book closure and payment dates were on 30 June 2011 and 22 July 2011 respectively.

On 23 August 2011, the Board of Directors declared the second interim single tier dividend of 12.5% (or 2.5 sen) per share of RM0.20 each in respect of the financial year ended 31 December 2011. The dividend book closure and payment dates were on 10 October 2011 and 20 October 2011 respectively.

The Board of Directors recommends the declaration of a final single tier dividend of 12.5% (or 2.5 sen) per share of RM0.20 each in respect of financial year ended 31 December 2011, subject to the shareholders' approval at the forthcoming Annual General Meeting. The book closure date and the date for dividend payment will be recommended by the Board later.

As at to date, total single tier dividend declared and recommended for the financial year ended 31 December 2011 is equivalent to 40% (or 8.0 sen) per share of RM0.20 each.

25. BASIC EARNINGS PER SHARE

The 'Basic Earnings Per Share' and 'Diluted Earnings Per Share' for the current period and the comparative period are calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the 'Weighted Average' and 'Adjusted Weighted Average' number of ordinary shares in issue during the period respectively, excluding treasury shares held by the Company.

	CURRENT QUARTER ENDED 31 DEC 2011	CUMULATIVE PERIOD TO DATE ENDED 31 DEC 2011
<u>Basic Earnings per share:-</u>		
(a) Profit for the period attributable to owners of the Company (RM'000)	66,492	231,032
(b) Weighted average number of ordinary shares ('000)	477,342	477,342
Basic Earnings per share (sen)	13.93	48.40

	CURRENT QUARTER ENDED 31 DEC 2011	CUMULATIVE PERIOD TO DATE ENDED 31 DEC 2011
<u>Diluted Earnings per share:-</u>		
(a) Profit for the period attributable to owners of the Company (RM'000)	66,492	231,032
(b) Weighted average number of ordinary shares ('000)	477,342	477,342
Effect of dilution - ESOS ('000)	849	849
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	478,191	478,191
Diluted Earnings per share (sen)	13.90	48.31

26. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE

The breakdown of the retained profits of the Group as at 31 December 2011 into realised and unrealised profits is presented as follow:-

	CUMULATIVE PERIOD TODATE ENDED 31 Dec 2011 RM'000
Total retained profits of the Group:-	
- Realised	977,389
- Unrealised	1,758
Share of result of associate:-	
- Realised	(2,869)
Less: Consolidated adjustments	(351,618)
Retained profits as per consolidated financial statement	624,660

BY ORDER OF THE BOARD

CHAI MIN HON (MIA 11926)
Company Secretary

Petaling Jaya
23 February 2012