



QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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 2011.

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 2011.

Malaysian Financial Reporting Standards (MFRS) Framework

The Malaysian Accounting Standards Board (MASB) issued MFRS Framework on 19 November 2011.

The MFRS Framework is to be applied by all Entities other than Private Entities for financial year beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (herein called ‘Transitioning Entities’)

Transitioning Entities are allowed to defer adoption of the MFRS Framework for one year till 31 December 2012. Adoption of the MFRS Framework by Transitioning Entities will be mandatory for financial year beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the MRFS Framework till 31 December 2012. Accordingly, the Group will only be in compliance with the requirements of the MFRS Framework for the financial year ending 31 December 2013.

The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group and the Company.



2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report on the financial statements for the year ended 31 December 2011 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 271,400 ordinary shares of RM0.20 each in the current quarter. As at 31 March 2012, 3,146,700 ordinary shares of RM0.20 each were still retained as treasury shares in the Company.

The Company issued 467,400 new ordinary shares of RM0.20 each under the Employees' Share Option Scheme ("ESOS") for the current quarter ended 31 March 2012. As at 31 March 2012, a total of 477,400 new ordinary shares of RM0.20 each have been issued under the ESOS.

7. DIVIDENDS PAID DURING THE PERIOD

There were no dividends paid during the current period.



MUDAJAYA GROUP BERHAD
(Incorporated in Malaysia – 605539-H)

8. SEGMENTAL INFORMATION

The segmental analysis for the Group is as follows:-

	3 MONTHS ENDED 31 MAR 12 RM'000	3 MONTHS ENDED 31 MAR 11 RM'000
REVENUE :		
Construction	417,514	200,831
Manufacturing	10,792	17,121
Trading and Plant hiring	18,499	17,236
Property development	6,826	3,624
	<u>453,631</u>	<u>238,812</u>
Elimination of inter segment sales	(13,140)	(15,734)
Total Revenue	<u>440,491</u>	<u>223,078</u>
RESULTS :		
Construction	88,632	48,615
Manufacturing	725	1,414
Trading and Plant hiring	470	448
Property development	1,333	(797)
	<u>91,160</u>	<u>49,680</u>
Interest income	1,001	1,144
Foreign exchange gain	4,821	2,696
Depreciation and amortization	(890)	(680)
ESOS expenses	(1,977)	-
Share of result of associate	(101)	-
	<u>94,014</u>	<u>52,840</u>
Income tax expenses	(4,688)	(5,731)
Profit from continuing operations	<u>89,326</u>	<u>47,109</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 RM440.5 million and profit before tax (“PBT”) of RM94.0 million for the three months period ended 31 March 2012, as compared to RM223.1 million and RM52.8 million respectively for the previous corresponding period.

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

Construction segment : The revenue of RM404.4 million in the three months period ended 31 March 2012 increased substantially as compared to the previous corresponding period of RM187.0 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 to RM91.6 million in the current quarter as compared to RM51.8 million in the previous corresponding period was mainly due to higher construction activities in the current quarter.

Manufacturing segment : The revenue and PBT decreased from RM15.6 million and RM1.4 million in the previous corresponding period to RM10.8 million and RM0.7 million respectively for the three months period ended 31 March 2012. The manufacturing revenue and PBT for the three months period ended 31 March 2012 were affected due to the disposal of the quarrying business at the end of last year.

Trading segment : The three months period ended 31 March 2012 reported revenue of RM18.5 million with RM0.5 million in PBT, as compared to RM16.8 million in revenue with RM0.4 million in PBT in the previous corresponding period. Revenue and PBT increased slightly due to higher trading activities generated from sale of construction materials.

Property development segment : This segment reported revenue and PBT of RM6.8 million and RM1.3 million respectively for the three months period ended 31 March 2012 as compared to revenue of RM3.6 million and loss before tax of RM0.8 million in the previous corresponding period. The higher sales revenue reported for the 3 months period ended 31 March 2012 has resulted in a profit as compared to the previous corresponding period.



14. COMPARISON WITH PRECEDING QUARTER'S REPORT

The Group achieved revenue of RM440.5 million and profit before tax (“PBT”) of RM94.0 million for the current quarter ended 31 March 2012, as compared to RM430.7 million and RM82.5 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 segment reported revenue of RM404.4 million for the current quarter as compared to the preceding quarter of RM405.9 million. The revenue was mainly derived from 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 to RM91.6 million in the current quarter as compared to RM78.7 million in the preceding quarter partly due to the higher ESOS expenses charged out in the preceding quarter.

Manufacturing segment : The revenue of RM10.8 million in the current quarter has improved as compared to the preceding quarter's revenue of RM7.7 million but the PBT decreased from RM4.0 million in the preceding quarter to RM0.7 million in the current quarter. The higher PBT in the previous quarter was mainly due to the gain on disposal of the quarrying business.

Trading segment : The segment reported revenue of RM18.5 million and PBT of RM0.5 million for the current quarter as compared to RM12.3 million and RM0.6 million respectively in the preceding quarter. The higher revenue in the current quarter was mainly due to the higher demand for construction materials arising from the civil construction of the power plant project in Manjung, Perak. However, the PBT has dropped slightly due to sales of lower profit margin items in the current quarter.

Property development segment : The segment reported revenue of RM6.8 million and PBT of RM1.3 million in the current quarter as compared to revenue of RM4.8 million and loss before tax of RM0.8 million in the preceding quarter. This was mainly due to sales of properties with higher profit margin recorded in the current quarter as compared to the preceding quarter.

15. PROSPECTS

Despite the continuing global crisis affecting the European countries and the US, the construction sector in Malaysia looks promising. The Economic Transformation Programme (ETP) projects which include Mass Rapid Transit (MRT), power plants, highways and infrastructure projects should benefit the Group 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. INCOME TAX EXPENSE

	CURRENT QUARTER ENDED 31 MAR 2012 RM'000	CUMULATIVE PERIOD TO DATE ENDED 31 MAR 2012 RM'000
Current income tax:		
- Malaysian income tax	<u>4,688</u>	<u>4,688</u>

The Group's effective tax rate of 5.0% is lower than the Malaysian statutory tax rate of 25% mainly due to foreign source income which is not subject to Malaysian taxation.

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.

21. DIVIDEND

The Board of Directors has on 23 February 2012 recommended a final single tier dividend of 12.5% (or 2.5 sen) per share in respect of financial year ended 31 December 2011. The dividend book closure and payment dates will be on 26 June 2012 and 16 July 2012 respectively. The above recommendations are subject to the shareholders' approval at the forthcoming AGM.

The Board of Directors has on 28 May 2012 declared a first interim single tier dividend of 20% (or 4.0 sen) per share in respect of financial year ending 31 December 2012. The dividend book closure and payment dates will be on 23 July 2012 and 15 August 2012 respectively.

As at todate, total interim dividend declared for the current financial year ending 31 December 2012 is equivalent to 20% or 4.0 sen per share of RM0.20 each.



22. 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 MAR 2012	CUMULATIVE PERIOD TO DATE ENDED 31 MAR 2012
<u>Basic Earnings per share:-</u>		
(a) Profit for the period attributable to owners of the Company (RM'000)	74,242	74,242
(b) Weighted average number of ordinary shares ('000)	545,599	545,599
Basic Earnings per share (sen)	13.61	13.61

	CURRENT QUARTER ENDED 31 MAR 2012	CUMULATIVE PERIOD TO DATE ENDED 31 MAR 2012
<u>Diluted Earnings per share:-</u>		
(a) Profit for the period attributable to owners of the Company (RM'000)	74,242	74,242
(b) Weighted average number of ordinary shares ('000)	545,599	545,599
Effect of dilution - ESOS ('000)	4,848	4,848
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	550,447	550,447
Diluted Earnings per share (sen)	13.49	13.49



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23. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE

The breakdown of the retained profits of the Group as at 31 March 2012 into realised and unrealised profits is presented as follow:-

	CUMULATIVE PERIOD TODATE ENDED 31 Mar 2012 RM'000
Total retained profits of the Group:-	
- Realised	971,665
- Unrealised	6,579
Share of result of associate:-	
- Realised	(2,970)
Less: Consolidated adjustments	<u>(276,372)</u>
Retained profits as per consolidated financial statements	<u>698,902</u>

BY ORDER OF THE BOARD

CHAI MIN HON (MIA 11926)
Company Secretary

Petaling Jaya
28 May 2012