



QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 two years until 31 December 2013. Adoption of the MFRS Framework by Transitioning Entities will be mandatory for financial year beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the MFRS Framework until 31 December 2013. Accordingly, the Group will only be in compliance with the requirements of the MFRS Framework for the financial year ending 31 December 2014.

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 320,700 ordinary shares of RM0.20 each in the current quarter. As at 31 December 2012, 5,770,400 ordinary shares of RM0.20 each were still retained as treasury shares in the Company.

The Company issued 230,200 new ordinary shares of RM0.20 each under the Employees' Share Option Scheme ("ESOS") for the current quarter ended 31 December 2012. As at 31 December 2012, a total of 1,427,900 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 12.5% (or 2.5 sen) per share amounting to RM13,603,696 in respect of the financial year ended 31 December 2011 based on 549,405,066 ordinary shares of RM0.20 each less treasury shares, was paid on 16 July 2012.

For the financial year ended 31 December 2012, the first interim single tier dividend of 20% (or 4.0 sen) per share amounting to RM21,765,327 based on 549,442,966 ordinary shares of RM0.20 each less treasury shares, was paid on 15 August 2012.



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

8. SEGMENTAL INFORMATION

The segmental analysis for the Group is as follows:-

	12 MONTHS ENDED 31 DEC 12 RM'000	12 MONTHS ENDED 31 DEC 11 RM'000
REVENUE :		
Construction	1,529,852	1,300,492
Manufacturing	48,804	51,473
Trading and Plant hiring	137,402	75,807
Property development	45,123	45,015
	<u>1,761,181</u>	<u>1,472,787</u>
Elimination of inter segment sales	(105,459)	(125,728)
Total Revenue	<u>1,655,722</u>	<u>1,347,059</u>
RESULTS :		
Construction	259,102	291,990
Manufacturing	2,456	9,321
Trading and Plant hiring	3,896	2,326
Property development	8,508	7,717
	<u>273,962</u>	<u>311,354</u>
Interest income	7,111	3,572
Foreign exchange gain/(loss)	21,107	(7,580)
Depreciation and amortization	(4,143)	(2,787)
ESOS expenses	(10,174)	(7,437)
Share of result of associate	(3,747)	(3,174)
	<u>284,116</u>	<u>293,948</u>
Income tax expenses	(10,563)	(17,020)
Profit from continuing operations	<u>273,553</u>	<u>276,928</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

On 17 October 2012, Mudajaya Corporation Berhad (“MCB”), a wholly-owned subsidiary of the Company acquired 49,000 ordinary shares of RM1.00 each in MJC Development Sdn Bhd (“MJC Dev”), a company incorporated in Malaysia and also a subsidiary of MCB, representing 49% of the issue and paid-up share capital of MJC Dev not already owned by MCB, for a total cash consideration of Ringgit Malaysia Forty Nine Thousand (RM49,000) only. Pursuant to the Acquisition, the equity interest of MCB in MJC Dev increased from 51% to 100%, resulting in MJC Dev becoming a wholly-owned subsidiary of MCB.

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 RM1,655.7 million and profit before tax (“PBT”) of RM284.1 million for the twelve months period ended 31 December 2012, as compared to RM1,347.1 million and RM293.9 million respectively for the previous corresponding period.

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

Construction segment : The revenue of RM1,424.4 million in the current year ended 31 December 2012 increased substantially as compared to the previous corresponding period of RM1,187.6 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 construction segment reported a PBT of RM269.3 million in the current year as compared to RM274.6 million in the previous corresponding period, mainly due to lower profit margin projects recognised in the current period.

Manufacturing segment : The revenue and PBT decreased from RM50.0 million and RM9.3 million in the previous corresponding period to RM48.8 million and RM2.5 million respectively in the current year ended 31 December 2012. The manufacturing revenue and PBT for the previous corresponding year ended 31 December 2011 included a one-off gain on the disposal of the quarrying business.

Trading segment : The current year ended 31 December 2012 reported revenue of RM137.4 million with RM3.9 million in PBT, as compared to RM75.8 million in revenue with RM2.3 million in PBT in the previous corresponding period. Revenue and PBT increased due to higher trading activities generated from the sale of construction materials.

Property development segment : This segment reported an increase in revenue and PBT of RM45.1 million and RM8.5 million respectively for the current year ended 31 December 2012 as compared to revenue of RM33.6 million and PBT of RM7.7 million in the previous corresponding period. The revenue and PBT reported for the current year ended 31 December 2012 has increased as compared to the previous corresponding period as a result of higher sales from new properties launches.



14. COMPARISON WITH PRECEDING QUARTER'S REPORT

The Group achieved revenue of RM303.7 million and profit before tax (“PBT”) of RM48.9 million for the current quarter ended 31 December 2012, as compared to RM352.7 million and RM63.3 million respectively for the preceding quarter.

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

Construction segment : The segment reported revenue of RM219.3 million and PBT of RM42.0 million for the current quarter as compared to the preceding quarter of RM293.2 million and RM60.2 million respectively. The lower revenue and PBT for the current quarter was mainly due to decreased delivery of equipment components of the Equipment Procurement contract for the 4 x 360MW coal-fired power plant at Chhattisgarh, India.

Manufacturing segment : The segment reported revenue of RM12.7 million and PBT of RM1.0 million in the current quarter as compared to the preceding quarter's revenue of RM13.3 million and PBT of RM0.5 million. The increase in PBT was mainly due to higher profit margin products sold in the current quarter.

Trading segment : The segment reported an increase in revenue of RM53.4 million and PBT of RM1.6 million for the current quarter as compared to RM35.9 million and RM0.9 million respectively in the preceding quarter. The higher revenue and PBT reported in the current quarter were mainly due to higher demand for construction materials arising from our internal civil construction works of the power plant projects in Manjung, Perak and Tanjung Bin, Johor.

Property development segment : The segment reported revenue of RM18.3 million and PBT of RM4.3 million in the current quarter as compared to revenue of RM10.3 million and PBT of RM1.8 million in the preceding quarter. The increase in revenue and PBT were mainly due to new properties launches for sale in the current quarter.

15. PROSPECTS

The construction sector in Malaysia looks promising in the coming years as there will be many mega-infrastructure projects to be launched by the Government. The Economic Transformation Programme (ETP) proposed projects which include Mass Rapid Transit (MRT) Line 2 and Line 3, power plants, highways and infrastructure projects should benefit the Group.

Barring any unforeseen circumstances, the financial performance of the Group for 2013 is expected to be satisfactory.

16. VARIANCE ON PROFIT FORECAST

Not applicable.



17. INCOME TAX EXPENSE

	CURRENT QUARTER ENDED 31 DEC 2012 RM'000	CUMULATIVE PERIOD TO DATE ENDED 31 DEC 2012 RM'000
Current income tax:		
- Malaysian income tax	<u>(2,969)</u>	<u>10,563</u>

The Group's effective tax rate of 3.7% for the period to date is lower than the Malaysian statutory tax rate of 25% mainly due to reversal of tax over provided previously and 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 were on 26 June 2012 and 16 July 2012 respectively. The above recommendations were approved by the shareholders at the AGM on 18 June 2012.

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 ended 31 December 2012. The dividend book closure and payment dates were on 23 July 2012 and 15 August 2012 respectively.

The Board of Directors has on 21 November 2012 declared a second interim single tier dividend of 12.5% (or 2.5 sen) per share in respect of financial year ended 31 December 2012. The dividend book closure and payment dates were on 14 December 2012 and 11 January 2013 respectively.



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

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 2012, 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 current financial year ended 31 December 2012 is equivalent to 45% (or 9.0 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 DEC 2012	CUMULATIVE PERIOD TO DATE ENDED 31 DEC 2012
<u>Basic Earnings per share:-</u>		
(a) Profit for the period attributable to owners of the Company (RM'000)	47,209	237,104
(b) Weighted average number of ordinary shares ('000)	544,577	544,577
Basic Earnings per share (sen)	8.67	43.54
<u>Diluted Earnings per share:-</u>		
(a) Profit for the period attributable to owners of the Company (RM'000)	47,209	237,104
(b) Weighted average number of ordinary shares ('000)	544,577	544,577
Effect of dilution - ESOS ('000)	5,396	5,396
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	549,973	549,973
Diluted Earnings per share (sen)	8.58	43.11



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

23. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE

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

	CUMULATIVE PERIOD TODATE ENDED 31 DEC 2012 RM'000
Total retained profits of the Group:-	
- Realised	1,596,303
- Unrealised	101
Share of result of associate:-	
- Realised	(6,616)
Less: Consolidated adjustments	<u>(776,993)</u>
Retained profits as per consolidated financial statements	<u>812,795</u>

BY ORDER OF THE BOARD

CHAI MIN HON (MIA 11926)
Company Secretary

Petaling Jaya
18 February 2013