



**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**

**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 2012.

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 2012.

**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 three years until 31 December 2014. Adoption of the MFRS Framework by Transitioning Entities will be mandatory for financial year beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the MRFS Framework until 31 December 2014. Accordingly, the Group will only be in compliance with the requirements of the MFRS Framework for the financial year ending 31 December 2015.

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 2012 was not subject to any qualification.



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**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 1,000 ordinary shares of RM0.20 each in the current quarter. As at 31 December 2013, 9,216,900 ordinary shares of RM0.20 each were still retained as treasury shares in the Company.

The Company issued 1,313,000 new ordinary shares of RM0.20 each under the Employees' Share Option Scheme ("ESOS") for the current quarter ended 31 December 2013. As at 31 December 2013, a total of 3,395,700 new ordinary shares of RM0.20 each have been issued under the ESOS.

**7. DIVIDENDS PAID DURING THE PERIOD**

The second interim single tier dividend of 12.5% (or 2.5 sen) per share amounting to RM13,599,691 in respect of the financial year ended 31 December 2012 based on 549,744,366 ordinary shares of RM0.20 each less treasury shares, was paid on 11 January 2013.

The final single tier dividend of 12.5% (or 2.5 sen) per share amounting to RM13,552,243 in respect of the financial year ended 31 December 2012 based on 550,143,966 ordinary shares of RM0.20 each less treasury shares, was paid on 16 July 2013.

The first single tier dividend of 15.0% (or 3.0 sen) per share amounting to RM16,249,132 in respect of the financial year ended 31 December 2013 based on 550,180,966 ordinary shares of RM0.20 each less treasury shares, was paid on 16 August 2013.

The second single tier dividend of 15.0% (or 3.0 sen) per share amounting to RM16,242,712 in respect of the financial year ended 31 December 2013 based on 550,639,666 ordinary shares of RM0.20 each less treasury shares, was paid on 22 November 2013.



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**8. SEGMENTAL INFORMATION**

The segmental analysis for the Group is as follows:-

	<b>12 MONTHS ENDED 31 DEC 13 RM'000</b>	<b>12 MONTHS ENDED 31 DEC 12 RM'000</b>
<b>REVENUE :</b>		
Construction	1,348,548	1,529,852
Manufacturing	58,761	48,804
Trading	153,953	137,402
Property development	56,424	45,123
	<u>1,617,686</u>	<u>1,761,181</u>
Elimination of inter segment sales	(81,900)	(105,459)
Total Revenue	<u>1,535,786</u>	<u>1,655,722</u>
<b>RESULTS :</b>		
Construction	187,721	259,102
Manufacturing	2,610	2,456
Trading	4,822	3,896
Property development	10,836	8,508
	<u>205,989</u>	<u>273,962</u>
Interest income	3,606	7,111
Foreign exchange gain	734	21,107
Interest expense	(49)	-
Depreciation and amortization	(8,873)	(4,143)
ESOS expenses	(6,843)	(10,174)
Share of result of associate	1,063	(3,747)
	<u>195,627</u>	<u>284,116</u>
Income tax expenses	(21,960)	(10,563)
Profit from continuing operations	<u>173,667</u>	<u>273,553</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.



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**10. SUBSEQUENT EVENTS**

There were no material events subsequent to the current quarter.

**11. CHANGES IN COMPOSITION OF THE GROUP**

On 22 March 2013, Mudajaya Corporation Berhad (“MCB”), a wholly-owned subsidiary of the Company acquired 350,000 ordinary shares of RM1.00 each in Desiran Johan Sdn Bhd (“DJSB”), a company incorporated in Malaysia, representing 70% of the total issued and paid - up share capital of DJSB, for a total cash consideration of Ringgit Malaysia Three Hundred Fifty Thousand (RM350,000) only.

On 6 September 2013, MJC Management Services. Sdn Bhd. (“MMSB”), a wholly-owned subsidiary of MCB acquired 10 ordinary shares of RM1.00 each in Active Flora Sdn. Bhd. (“AFSB”) and 1,000 ordinary shares of RM1.00 each in Positive Range Sdn. Bhd. (“PRSB”) representing 100% of the total issued and paid-up capital of AFSB and PRSB, for a cash consideration of Ringgit Malaysia Seven Million Five Hundred Thousand (RM7,500,000.00) for each respective company.

On 24 September 2013, MCB acquired the remaining 1 ordinary shares of RM1.00 each in MGB Enterprise Sdn. Bhd (“MGBE”), a company incorporated in Malaysia and also a subsidiary of MCB, for a total consideration of Ringgit Malaysia One (RM1.00) only from Mulpha International Ltd. Subsequent to the Acquisition, MCB owns 100% interest of MGBE.

**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 RM1,535.8 million and profit before tax (“PBT”) of RM195.6 million for the twelve months period ended 31 December 2013, as compared to RM1,655.7 million and RM284.1 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 and PBT decreased to RM1,266.6 million and RM177.4 million in the twelve months period ended 31 December 2013 as compared to the previous corresponding period of RM1,424.4 million and RM269.3 million respectively. These were mainly due to the tapering-off in equipment components delivery of the Equipment Procurement contract for the 4 x 360MW coal-fired power plant at Chhattisgarh, India in the current period as compared to the previous corresponding period.



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Manufacturing segment : The revenue and PBT increased from RM48.8 million and RM2.5 million in the previous corresponding period to RM58.8 million and RM2.6 million respectively for the twelve months period ended 31 December 2013. These were mainly due to higher volume of manufacturing activities in the current period.

Trading segment : The twelve months period ended 31 December 2013 reported an increase in revenue and PBT to RM154.0 million and RM4.8 million respectively, as compared to RM137.4 million in revenue and RM3.9 million in PBT in the previous corresponding period. Revenue and PBT increased due to higher trading activities generated from sale of construction materials.

Property development segment : This segment reported an increase in revenue and PBT of RM56.4 million and RM10.8 million respectively for the twelve months period ended 31 December 2013 as compared to revenue of RM45.1 million and PBT of RM8.5 million in the previous corresponding period. The increase in revenue and PBT were mainly attributable to higher sales of new properties launched.

#### **14. COMPARISON WITH PRECEDING QUARTER'S REPORT**

The Group achieved revenue of RM334.3 million and profit before tax ("PBT") of RM30.7 million for the current quarter ended 31 December 2013, as compared to RM391.5 million and RM51.8 million respectively for the preceding quarter.

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

Construction segment : This segment reported revenue of RM271.5 million and PBT of RM26.3 million for the current quarter as compared to the revenue of RM317.1 million and PBT of RM47.6 million for the preceding quarter mainly due to the tapering-off in equipment components delivery of the Equipment Procurement contract for the 4 x 360MW coal-fired power plant at Chhattisgarh, India in the current quarter as compared to the preceding quarter.

Manufacturing segment : This segment reported revenue of RM11.8 million and PBT of RM0.3 million in the current quarter as compared to the preceding quarter's revenue of RM17.5 million and PBT of RM0.5 million in the preceding quarter. This was mainly due to higher production level in the preceding quarter.

Trading segment : This segment reported revenue of RM39.7 million in the current quarter as compared to the preceding quarter's revenue of RM42.9 million but the PBT increased from RM1.2 million in the preceding quarter to RM1.4 million in the current quarter. This was mainly due to higher profit margin products sold in the current quarter.

Property development segment : This segment reported revenue and PBT of RM11.3 million and RM2.8 million respectively for the current quarter as compared to revenue of RM14.0 million and PBT of RM2.5 million in the previous corresponding period. The higher profit was mainly due to the sales of higher profit margin properties launched.



**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 and the private sector which include Mass Rapid Transit Line 2 & Line 3, power plants, highways and infrastructure projects. The Group is well-placed to benefit from some of these proposed projects which were announced in the recent Budget in October 2013.

Other than the local projects, the Group is also considering investment opportunities in the Asean region particularly in the conventional and renewable energy power sectors. The Group is currently working on a wind energy farm project in the Philippines which will likely to be implemented in 2014.

The Group is planning to launch some property development projects within the Klang Valley in the near future. One of the up-coming projects is the mixed property development on a 6-acre piece of land nearby Tropicana Golf & Country Resort, which will likely to be launched in the second half of 2014.

Barring any unforeseen circumstances, the financial performance of the Group for 2014 is expected to be satisfactory.

**16. VARIANCE ON PROFIT FORECAST**

Not applicable.

**17. INCOME TAX EXPENSE**

	<b>CURRENT QUARTER ENDED 31 DEC 2013 RM'000</b>	<b>12 MONTHS ENDED 31 DEC 2013 RM'000</b>
Current income tax:		
- Malaysian income tax	<u>7,947</u>	<u>21,960</u>

The Group's effective tax rate of 11.2% for the period to date 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**

- (a) MJC Development Sdn Bhd (“MJC”), a wholly-owned subsidiary of MCB, which in turn is a wholly-owned subsidiary of the Company has on 30 August 2013 proposed to undertake a joint venture with Mulpha Land Berhad (“MLB”), in respect of Mayfair Ventures Sdn Bhd (“MVSB”), a wholly-owned subsidiary of MLB, whereby MJC and MLB will subscribe for 49% and 51% of the enlarged issued and paid-up share capital of MVSB respectively (“Proposed JV”).

MJC signed a supplemental letter on 13 November 2013 and 20 November 2013 respectively with MLB and MVSB to mutually extend the Cut-Off Date for a period of one month from 13 November 2013 to 13 December 2013 for the purpose of enabling MJC and MLB to fulfill the remaining Conditions Precedent pertaining to the Proposed JV.

The shareholders of the Company approved the Proposed JV during the Extraordinary General Meeting on 12 December 2013.

- (b) Mudajaya Power International Sdn. Bhd. (“MPI”), a wholly-owned subsidiary of MCB, which in turn is a wholly-owned subsidiary of the Company, has on 26 October 2013 entered into a Share Purchase Agreement (“SPA”) with Windelsey Inc to acquire 4,000 shares of capital stock of Php100.00 each in Amihan Energy Corporation (“AEC”), for a cash consideration of Php26,400,000.00 (Philippine Peso Twenty Six Million Four Hundred Thousand Only) (equivalent to RM1.9 million) (“the Acquisition”).

MPI has also on 26 October 2013 entered into a Shareholders’ Agreement with Windelsey Inc and Visayan Wind Energy Holdings Corporation to jointly undertake a wind energy project involving the development of up to 200MW wind energy farm in Cebu, Philippines.

The Acquisition is pending Windelsey Inc to fulfill the Conditions Precedents as stated in the SPA.

- (c) MCB has on 14 November 2013 obtained the approval from the Securities Commission Malaysia for the proposed establishment of an Islamic Commercial Papers (“ICP”) programme (“ICP Programme”) and an Islamic Medium Term Notes (“IMTN”) programme (“IMTN Programme”) subject to a combined aggregate limit of up to RM1.0 billion in nominal value (“Sukuk Programmes”).

MCB has issued the first tranche of the IMTN amounted to RM360.0 million on 23 January 2014.

## **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 18 February 2013 recommended 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. The dividend book closure and payment dates were on 26 June 2013 and 16 July 2013 respectively. The above recommendations were approved by the shareholders at the 10<sup>th</sup> Annual General Meeting on 18 June 2013.

The Board of Directors has on 21 May 2013 declared a first interim single tier dividend of 15.0% (or 3.0 sen) per share of RM0.20 each in respect of financial year ended 31 December 2013. The dividend book closure and payment dates were on 19 July 2013 and 16 August 2013 respectively.

The Board of Directors has on 28 August 2013 declared a second interim single tier dividend of 15.0% (or 3.0 sen) per share of RM0.20 each in respect of financial year ended 31 December 2013. The dividend book closure and payment dates were on 25 October 2013 and 22 November 2013 respectively.

The Board of Directors has on 27 November 2013 declared a third interim single tier dividend of 15.0% (or 3.0 sen) per share of RM0.20 each in respect of financial year ended 31 December 2013. The dividend book closure and payment dates were on 23 January 2014 and 20 February 2014 respectively.

Total single tier dividend declared for the financial year ended 31 December 2013 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.

	<b>CURRENT QUARTER ENDED 31 DEC 2013 RM'000</b>	<b>12 MONTHS ENDED 31 DEC 2013 RM'000</b>
<u>Basic Earnings per share:-</u>		
(a) Profit for the period attributable to owners of the Company (RM'000)	22,902	151,176
(b) Weighted average number of ordinary shares ('000)	542,263	542,263
Basic Earnings per share (sen)	4.22	27.88





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	<b>CURRENT QUARTER ENDED 31 DEC 2013 RM'000</b>	<b>12 MONTHS ENDED 31 DEC 2013 RM'000</b>
<u>Diluted Earnings per share:-</u>		
(a) Profit for the period attributable to owners of the Company (RM'000)	22,902	151,176
(b) Weighted average number of ordinary shares ('000)	542,263	542,263
Effect of dilution - ESOS ('000)	9,434	9,434
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	551,697	551,697
Diluted Earnings per share (sen)	4.15	27.40

**23. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE**

The breakdown of the retained profits of the Group as at 31 December 2013 into realised and unrealised profits is presented as follow:-

	<b>AS AT 31 DEC 2013 RM'000</b>
Total retained profits of the Group:-	
- Realised	1,330,677
- Unrealised	542
Share of result of associate:-	
- Realised	(5,564)
Less: Consolidated adjustments	(423,971)
Retained profits as per consolidated financial statements	901,684

**BY ORDER OF THE BOARD**

**CHAI MIN HON (MIA 11926)**  
**Company Secretary**

Petaling Jaya  
25 February 2014