

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2016**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	31-DEC-16	QUARTER	31-DEC-16	PERIOD
	RM'000	31-DEC-15	RM'000	31-DEC-15
		RM'000		RM'000
<b>Continuing Operations</b>				
Revenue	217,225	164,566	732,468	543,509
Operating expenses	(204,567)	(125,613)	(707,765)	(500,405)
Profit from operations	<u>12,658</u>	<u>38,953</u>	<u>24,703</u>	<u>43,104</u>
Interest income	2,583	3,990	8,382	7,220
Other income/(expenses)	436	(2,977)	5,811	3,326
Foreign exchange gain	5,250	8,396	1,717	11,788
Impairment of financial assets	(101,253)	(3,216)	(121,265)	(3,216)
Reversal/(Impairment) of investment in associates	179	-	(1,804)	-
Depreciation and amortization	(4,112)	(4,920)	(16,331)	(15,948)
Interest expense	(6,803)	(8,651)	(25,893)	(23,895)
Net (expenses)/reversal relating to ESOS	(1,417)	927	(1,417)	140
Share of results of associates	(33,110)	(10,252)	(133,289)	(12,278)
(Loss)/Profit before tax	<u>(125,589)</u>	<u>22,250</u>	<u>(259,386)</u>	<u>10,241</u>
Income tax expense	(1,298)	(4,591)	(3,722)	(7,849)
(Loss)/Profit from continuing operations	<u>(126,887)</u>	<u>17,659</u>	<u>(263,108)</u>	<u>2,392</u>
<b>Other comprehensive income:</b>				
Currency translation difference	605	(1,751)	(226)	5,960
Total comprehensive (expense)/income	<u>(126,282)</u>	<u>15,908</u>	<u>(263,334)</u>	<u>8,352</u>
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company	(127,314)	16,169	(264,917)	(1,428)
Non-controlling interest	427	1,490	1,809	3,820
	<u>(126,887)</u>	<u>17,659</u>	<u>(263,108)</u>	<u>2,392</u>
<b>Basic and diluted (loss)/earning per share (sen) attributable to equity holders of the Company:</b>				
Basic and diluted (loss)/earnings per share (sen)	<u>(23.58)</u>	<u>2.98</u>	<u>(49.06)</u>	<u>(0.26)</u>

**Note :**

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2015.

The Basic EPS for both current and corresponding periods have been calculated based on weighted average of 540,020,000 ordinary shares of RM0.20 each.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**  
(The figures have not been audited)

	<b>AS AT 31-DEC-16 RM'000</b>	<b>AS AT 31-DEC-15 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	113,172	127,418
Investment properties	49,116	46,786
Intangible assets	11,153	11,773
Investment in associates	562,335	684,274
Other investments	816	542
Deferred tax asset	493	461
	<u>737,085</u>	<u>871,254</u>
<b>Current assets</b>		
Inventories	41,718	32,591
Property development costs	39,330	38,721
Trade and other receivables	410,054	352,109
Other current assets	564,654	662,679
Tax recoverable	15,696	13,440
Cash and bank balances	328,042	70,176
	<u>1,399,494</u>	<u>1,169,716</u>
<b>TOTAL ASSETS</b>	<b><u>2,136,579</u></b>	<b><u>2,040,970</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	110,483	110,483
Reserves	731,493	995,438
	<u>841,976</u>	<u>1,105,921</u>
Equity attributable to owners of the Company	841,976	1,105,921
Non-controlling interests	(14,090)	(15,939)
<b>Total equity</b>	<u>827,886</u>	<u>1,089,982</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,367	2,043
Borrowings	424,173	400,926
Hire purchase payable	423	-
Refundable deposits	2,408	1,822
	<u>428,371</u>	<u>404,791</u>
<b>Current liabilities</b>		
Trade and other payables	470,295	388,047
Amount due to customers on contracts	17,951	12,087
Borrowings	391,871	146,063
Hire purchase payable	205	-
	<u>880,322</u>	<u>546,197</u>
<b>Total liabilities</b>	<u>1,308,693</u>	<u>950,988</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>2,136,579</u></b>	<b><u>2,040,970</u></b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>1.56</u>	<u>2.05</u>

Note :

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2015.

The Net Assets Per Share for both current and corresponding periods have been calculated based on 552,418,466 ordinary shares of RM0.20 each less treasury shares respectively.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

(The figures have not been audited)

<-----Attributable to Equity Holders of the Company ----->

	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	ESOS Reserve RM'000	Foreign Currency Translation Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
<b>At 1 January 2016</b>	110,483	221,739	4,900	8,609	(17,670)	(34,688)	812,548	1,105,921	(15,939)	1,089,982
Adjustment arising from currency translation difference in 2015 undertaken up	-	-	-	-	246	-	-	246	-	246
Adjustments in 2015 undertaken up	-	-	-	-	-	-	(465)	(465)	40	(425)
Foreign currency translation differences for foreign operations	-	-	-	-	(226)	-	-	(226)	-	(226)
Loss for the year	-	-	-	-	-	-	(264,917)	(264,917)	1,809	(263,108)
Total comprehensive (expense)/income	-	-	-	-	(226)	-	(264,917)	(265,143)	1,809	(263,334)
Share options forfeited	-	-	-	(1,491)	-	-	1,491	-	-	-
Fair value of share options	-	-	-	1,417	-	-	-	1,417	-	1,417
<b>At 31 December 2016</b>	<b>110,483</b>	<b>221,739</b>	<b>4,900</b>	<b>8,535</b>	<b>(17,650)</b>	<b>(34,688)</b>	<b>548,657</b>	<b>841,976</b>	<b>(14,090)</b>	<b>827,886</b>
<b>At 1 January 2015</b>	110,483	221,739	4,900	23,759	(23,630)	(34,688)	798,966	1,101,529	(15,859)	1,085,670
Foreign currency translation differences for foreign operations	-	-	-	-	5,960	-	-	5,960	-	5,960
Loss for the year	-	-	-	-	-	-	(1,428)	(1,428)	3,820	2,392
Total comprehensive income/(expense)	-	-	-	-	5,960	-	(1,428)	4,532	3,820	8,352
Share-based payment transactions	-	-	-	(15,150)	-	-	15,010	(140)	-	(140)
Issuance of ordinary shares of a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	300	300
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(4,200)	(4,200)
<b>At 31 December 2015</b>	<b>110,483</b>	<b>221,739</b>	<b>4,900</b>	<b>8,609</b>	<b>(17,670)</b>	<b>(34,688)</b>	<b>812,548</b>	<b>1,105,921</b>	<b>(15,939)</b>	<b>1,089,982</b>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**  
(The figures have not been audited)

	<b>12 MONTHS ENDED 31-DEC-16 RM'000</b>	<b>12 MONTHS ENDED 31-DEC-15 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(259,386)	10,241
Adjustments for:		
Amortisation of goodwill	620	620
Depreciation of investment property	985	720
Depreciation of property, plant and equipment	14,726	14,608
Expenses/(Reversal) relating to ESOS	1,417	(140)
Gain on disposal of property, plant and equipment	(153)	(531)
Impairment loss of investment in associates	1,804	810
Impairment loss of other receivables	22,881	2,411
Impairment/(Reversal) of allowance for impairment of trade receivables	98,384	(5)
Interest income	(8,382)	(7,220)
Interest expense	25,893	23,895
Share of loss of equity accounted associates	133,289	12,278
Unrealised profit adjustment	(2,783)	(192)
Unrealised gain on foreign exchange	(2,538)	(11,795)
Operating profit before working capital changes	26,757	45,700
Changes in working capital:		
Inventories	(9,127)	(26,217)
Property development costs	(609)	22,451
Trade and other receivables	(87,336)	(217,718)
Trade and other payables	88,699	50,482
Cash generated from/(used in) operations	18,384	(125,302)
Taxes paid	(9,274)	(10,674)
Taxes refunded	9,567	569
<b>Net cash generated from/(used in) operating activities</b>	<b>18,677</b>	<b>(135,407)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,168)	(2,090)
Increase in other investment	(274)	-
Addition expenditure in investment property	-	(55)
Advances to associates	(4,559)	(38,024)
Change in pledged deposits	(9,000)	860
Acquisition of associates	(4,500)	(6,480)
Interest received	8,382	7,220
Proceeds from disposal of property, plant and equipment	162	1,168
<b>Net cash used in investing activities</b>	<b>(12,957)</b>	<b>(37,401)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(25,893)	(23,895)
Dividend paid	-	(4,200)
Issuance of ordinary shares of a subsidiary to non-controlling interest	-	300
Proceed from borrowings	377,309	140,000
Repayment of borrowings	(108,254)	(6,063)
Repayment of hire purchase payable	(16)	-
<b>Net cash generated from financing activities</b>	<b>243,146</b>	<b>106,142</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>248,866</b>	<b>(66,666)</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1 JANUARY 2016 / 2015</b>	<b>69,370</b>	<b>136,036</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2016 / 2015</b>	<b>318,236</b>	<b>69,370</b>
<b>Add: Pledged deposits</b>	<b>9,806</b>	<b>806</b>
	<b>328,042</b>	<b>70,176</b>

**Note :**

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2015.





## **QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

### **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 2015.

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 2015.

R.K.M Powergen Private Limited (“RKM”), an 26% associate incorporated in India with its financial year ended in March, has its last financial statements audited up to 31 March 2016. In accounting for the Group's share of results in RKM, the Group relied on RKM's unaudited management accounts for the period ended 31 December 2016 which included the estimated depreciation charges of Units I & II of the Independent Power Plant (“IPP”) that had achieved Commercial Operation Date (“COD”) and the corresponding estimated interest costs from borrowings taken to build Units I & II, which could no longer be capitalized after COD.

#### **Malaysian Financial Reporting Standards (MFRS) Framework**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS”) Framework.

The MFRS Framework is to be applied by all Entities other than Private Entities for annual periods 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’).

On 2 September 2014, MASB announced that Transitioning Entities shall apply MFRS Framework for annual period beginning on or after 1 January 2017. However, on 8 September 2015, MASB announced that for all Transitioning Entities, the requirement to apply the MFRS Framework are effective for annual period beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

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.



## **QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

### **2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report on the financial statements for the year ended 31 December 2015 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**

As at 31 December 2016, 14,018,300 ordinary shares of RM0.20 each were still retained as treasury shares in the Company. There were no purchase of share in the market during the current quarter ended 31 December 2016.

There were no new ordinary shares issued under the Employees' Share Option Scheme ("ESOS") for the current quarter ended 31 December 2016. As at 31 December 2016, a total of 4,102,000 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 period under review.

**8. SEGMENTAL INFORMATION**

<b><u>QUARTERLY RESULTS:</u></b>	<b>Construction</b>	<b>Property development</b>	<b>Power</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
<b><u>Q4 2016</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>REVENUE :</b>						
External customers	179,648	7,148	1,909	28,520	-	217,225
Inter-segment	70	-	-	3,929	(3,999)	-
<b>Total revenue</b>	<b>179,718</b>	<b>7,148</b>	<b>1,909</b>	<b>32,449</b>	<b>(3,999)</b>	<b>217,225</b>
<b>RESULTS :</b>						
(Loss)/Profit before tax	(91,488)	1,875	(31,126)	(4,850)	-	(125,589)
<b><u>Q4 2015</u></b>						
<b>REVENUE :</b>						
External customers	128,887	17,488	1,829	16,362	-	164,566
Inter-segment	641	288	-	43,623	(44,552)	-
<b>Total revenue</b>	<b>129,528</b>	<b>17,776</b>	<b>1,829</b>	<b>59,985</b>	<b>(44,552)</b>	<b>164,566</b>
<b>RESULTS :</b>						
Profit/(Loss) before tax	18,735	9,412	(8,582)	2,685	-	22,250
<b><u>YEAR TO-DATE RESULTS:</u></b>						
<b><u>12 MONTHS ENDED 31-DEC-16</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>REVENUE :</b>						
External customers	605,861	24,746	11,086	90,775	-	732,468
Inter-segment	1,514	-	-	17,559	(19,073)	-
<b>Total revenue</b>	<b>607,375</b>	<b>24,746</b>	<b>11,086</b>	<b>108,334</b>	<b>(19,073)</b>	<b>732,468</b>
<b>RESULTS :</b>						
(Loss)/Profit before tax	(123,191)	8,457	(143,175)	(1,477)	-	(259,386)
<b><u>12 MONTHS ENDED 31-DEC-15</u></b>						
<b>REVENUE :</b>						
External customers	442,839	44,730	11,402	44,538	-	543,509
Inter-segment	9,992	288	-	43,624	(53,904)	-
<b>Total revenue</b>	<b>452,831</b>	<b>45,018</b>	<b>11,402</b>	<b>88,162</b>	<b>(53,904)</b>	<b>543,509</b>
<b>RESULTS :</b>						
(Loss)/Profit before tax	(9,550)	16,483	(6,480)	9,788	-	10,241



## 9. RELATED PARTIES TRANSACTIONS

Below are the significant related party transactions, which have been established under negotiated terms and entered into in the normal course of business:

	<b>12 MONTHS ENDED 31-DEC-16 RM'000</b>	<b>12 MONTHS ENDED 31-DEC-15 RM'000</b>
<b>A Associates</b>		
<i>R.K.M Powergen Private Limited</i>		
Sales	-	(1,700)
<i>Mayfair Ventures Sdn. Bhd.</i>		
(Repayment)/ Working capital advances	6,782	11,590
Management fees	(120)	(120)
Interest income	(3,218)	(1,265)
<i>PT Harmoni Energy Indonesia</i>		
(Repayment)/ Working capital advances	(2,223)	26,434
Interest income	(2,389)	-
<b>B Other related party</b>		
A company related to a director/ indirect shareholder :		
<i>Mulpha Group Services Sdn Bhd</i>		
Rental income	(760)	(729)
Rental expense	517	-
<i>Mulpha Strategic Limited</i>		
Interest expense	151	-

## 10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

## 11. SUBSEQUENT EVENTS

There were no material events subsequent to the current quarter.

## 12. CHANGES IN COMPOSITION OF THE GROUP

On 13 January 2016, the Company completed the acquisition of 3 wholly-owned subsidiaries of Mudajaya Corporation Berhad ("MCB") i.e MJC Industries Sdn Bhd ("MJCI"), MJC Development Sdn Bhd ("MJCD") and Mudajaya Energy Sdn Bhd ("MESB"). The Company acquired 300,000 ordinary shares of RM1.00 each in MJCI for a total consideration of RM2.53 million, 100,000 ordinary shares of RM1.00 each in MJCD for a total consideration of RM0.97 million and 120,000 ordinary shares of RM1.00 each in MESB for a total consideration of RM0.12 million, all representing 100% of the total issued and paid-up share capital of the respective companies.

On 22 March 2016, MJCI and MESB completed the acquisition of 3 wholly-owned subsidiaries of Mudajaya Corporation Berhad i.e MJC Precast Sdn Bhd ("MJCP"), MJC Trading Sdn Bhd ("MJCT") and Mudajaya Power International Sdn Bhd ("MPI"). MJCI acquired 10,000,000 ordinary shares of RM1.00 each in MJCP for a total consideration of RM16.70 million and 300,000 ordinary shares of RM1.00 each in MJCT for a total consideration of RM5.37 million, whilst MESB acquired 200,000 ordinary shares of RM1.00 each in MPI for a total consideration of RM0.20 million, all representing 100% of the total issued and paid-up share capital of the respective companies.

On 29 April 2016, the Company has incorporated a limited company known as Mudajaya Ventures Limited ("MVL") which has a paid-up share capital of USD1.00. As a result of the incorporation, MVL became a wholly-owned subsidiary of the Company.

On 15 August 2016, MCB acquired 1 ordinary share of RM1.00 each, representing 50% of the total issued and paid-up share capital of Musyati Mudajaya JV Sdn Bhd ("MMJV") (formerly known as Elite Sdn Bhd) from a third party for a total consideration of RM1.00. On 15 September 2016, MCB subscribed for 2,999,999 ordinary share of RM1.00 each in MMJV for a total consideration of RM2,999,999 and another 1,500,000 ordinary share of RM1.00 each in MMJV for a total consideration of RM1,500,000 on 12 October 2016, all representing 30% of the total issued and paid-up share capital of MMJV, making MMJV an associate of MCB.





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

**12. CHANGES IN COMPOSITION OF THE GROUP (CONT'D)**

On 8 December 2016, MCB acquired 2 ordinary shares of RM1.00 each, representing 100% of the total issued and paid-up share capital of Dayang Pertiwi Sdn Bhd ("DPSB") for a total consideration of RM2.00. As a result of the acquisition, DPSB became an indirect wholly-owned subsidiary of the Company.

**13. CONTINGENT LIABILITIES**

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

**14. REVIEW OF PERFORMANCE**

**QUARTERLY ANALYSIS:**

The Group reported revenue of RM217.2 million and loss before tax ("LBT") of RM125.6 million in the quarter ended 31 December 2016 as compared to revenue of RM164.6 million and profit before tax ("PBT") of RM22.2 million in the corresponding quarter of 2015 mainly due to the allowance for impairment of trade receivables and other current assets and the equity accounting of associate losses as elaborated below.

The performance of the respective business segments is as follows:-

Construction segment : This segment reported revenue and LBT of RM179.6 million and RM91.5 million respectively for the quarter ended 31 December 2016 as compared to revenue of RM128.9 million and PBT of RM18.7 million for the corresponding quarter ended 31 December 2015. Higher revenue was mainly due to the full operation from Pengerang projects this year. LBT in current quarter was mainly attributable to the allowance for impairment of trade receivables and other current assets resulting from the dismissal of claims against CMC Machipex Sdn Bhd ("CMC").

Property development segment : This segment reported revenue and PBT of RM7.1 million and RM1.9 million respectively for the fourth quarter of 2016 as compared to revenue of RM17.5 million and PBT of RM9.4 million for the corresponding quarter of 2015. The decline in performance was due to lower sales in 10 Damansara and Batu Kawah projects.

Power segment : The segment reported revenue and LBT of RM1.9 million and RM31.1 million respectively for the fourth quarter of 2016 as compared to revenue of RM1.8 million and LBT of RM8.6 million for the previous year corresponding quarter. The sharp increase in LBT was primarily due to the equity accounting of losses from RKM Powergen Pvt Ltd ("RKM") which undertakes the 4x360MW IPP in Chhattisgarh, India.

Others segment : This segment comprises primarily the manufacturing and trading divisions of the Group. This segment reported revenue and LBT of RM28.5 million and RM4.9 million respectively for the quarter ended 31 December 2016 as compared to revenue of RM16.4 million and PBT of RM2.7 million for the corresponding quarter in 2015. The improvement in revenue in the current quarter was mainly due to increase in sales of construction materials to the Pengerang projects. However, the negative results were mainly due to one-off costs related to the setting up of the unsecured Medium Term Notes ("MTN") programme.

**YEAR TO-DATE ANALYSIS:**

The Group reported revenue of RM732.5 million and LBT of RM259.4 million for the year ended 31 December 2016, as compared to revenue of RM543.5 million and PBT of RM10.2 million respectively for the year ended 31 December 2015. The LBT was primarily due to equity accounting of associate losses from RKM as elaborated below and the allowance for impairment of trade receivables and other current assets.

The performance of the respective business segments is as follows:-

Construction segment : This segment reported revenue and LBT of RM605.9 million and RM123.2 million respectively for 2016 as compared to revenue of RM442.8 million and LBT of RM9.6 million for 2015. Higher revenue in the current period was mainly due to the full year contribution from the Pengerang projects which commenced in the 3rd quarter of 2015. However, this was negated by additional costs from other projects as well as allowance for impairment of trade receivable and other current asset resulting from the dismissal of claims against CMC.

Property development segment : This segment reported revenue and PBT of RM24.7 million and RM8.5 million respectively in 2016 as compared to revenue of RM44.7 million and PBT of RM16.5 million for the previous year. The decline in performance was due to lower sales in 10 Damansara and Batu Kawah projects.

Power segment : This segment reported revenue and LBT of RM11.1 million and RM143.2 million respectively in 2016 as compared to revenue of RM11.4 million and LBT of RM6.5 million for the previous year. The sharp increase in LBT was primarily due to the equity accounting of losses from RKM, an associate which undertakes the 4x360MW IPP in Chhattisgarh, India as well as impairment of the Philippines wind farm related investment. In RKM, as disclosed previously, Units I & II of the IPP had achieved Commercial Operation Date ("COD"). Consequently, depreciation on Units I & II had to be charged to profit or loss, while the interest costs could no longer be capitalized after COD and hence were also charged to profit or loss accordingly. As at year end, the Units I & II have not commenced power sales yet.



#### **14. REVIEW OF PERFORMANCE (CONT'D)**

Others segment : This segment comprises primarily the manufacturing and trading divisions of the Group. This segment reported revenue and LBT of RM90.8 million and RM1.5 million respectively for 2016 as compared to revenue of RM44.5 million and PBT of RM9.8 million for 2015. The improvement in revenue in the current period was mainly due to increase in sales of construction materials to the Pengerang projects. However, the losses incurred was mainly due to higher installation costs for the precast products and also one-off costs related to the setting up of the unsecured MTN programme.

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

The Group reported revenue of RM217.2 million and LBT of RM125.6 million for the current quarter ended 31 December 2016, as compared to revenue of RM170.5 million and LBT of RM66.8 million for the preceding quarter.

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

Construction segment : This segment reported revenue and LBT of RM179.7 million and RM91.5 million respectively for the current quarter as compared to revenue of RM134.2 million and LBT of RM32.4 million for the preceding quarter. Profits from on-going Pengerang projects were negated by the allowance for impairment of trade receivables and other current assets resulting from the dismissal of claims against CMC.

Property development segment : This segment reported revenue and PBT of RM7.1 million and RM1.8 million respectively for the current quarter as compared to revenue of RM6.4 million and PBT of RM2.1 million in the preceding quarter. The improvement in revenue was derived from the properties sales at Batu Kawah Township project in the current quarter, whilst lower PBT was due to sales of properties mix with lower profit margin.

Power segment : This segment reported revenue and LBT of RM1.9 million and RM31.1 million respectively for the current quarter as compared to the revenue of RM2.8 million and LBT of RM36.4 million in the preceding quarter. LBT in the current and preceding quarters were mainly due to the equity accounting of associate losses from RKM.

Others segment : This segment comprises of the manufacturing and trading divisions of the Group. This segment reported revenue and LBT of RM28.5 million and RM4.9 million respectively for the current quarter as compared to revenue of RM27.1 million and LBT of RM0.1 million in the preceding quarter. Higher revenue in the current quarter was mainly due to higher volume in manufacturing and trading activities. However, LBT in the current quarter was mainly due to one-off costs related to the setting up of the unsecured MTN programme.

#### **16. PROSPECTS**

The outlook of the construction sector in Malaysia remains strong in the coming years with an on-going stream of mega-infrastructure projects to be launched by the Government and the private sector including LRT Line 3, Pan Borneo Sabah highway and other infrastructure projects. The Group is confident that it will benefit from some of these proposed projects. In addition, the Group's order book of RM2.5 billion as at year end 2016 should sustain operations for the medium term.

The investment in the IPP in India via 26% associate RKM continues to pose a very challenging prospect to the Group. Despite limited control and influence, the Group's management continues to make strenuous efforts with RKM to ensure that all 4 units of the IPP development come on stream to enhance the value of assets, in addition to providing recurring income to the Group. Currently, Units III & IV of the IPP are at advance stage of completion whilst power purchase agreements are under negotiation.

In terms of new investment, the Group will continue to pursue investments both locally and overseas to build up its assets with recurring income streams to cushion against the cyclical nature of the construction business. It will also expand on its precast concrete manufacturing businesses to capitalize on the increasing demand from various mega-infrastructure projects.

#### **17. VARIANCE ON PROFIT FORECAST**

Not applicable.

## 18. INCOME TAX EXPENSE

	<b>CURRENT QUARTER ENDED 31-DEC-16 RM'000</b>	<b>12 MONTHS ENDED 31-DEC-16 RM'000</b>
Current income tax:		
- Malaysian income tax	<u>(1,298)</u>	<u>(3,722)</u>

The Group's effective tax rate for the period to date was higher than the Malaysian statutory tax rate of 24% mainly due to share of losses of certain entities within the Group.

## 19. STATUS OF CORPORATE PROPOSALS

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

## 20. GROUP BORROWING

Details of the Group's borrowings as at 31 December 2016 were as follows:

	<b>RM'000</b>
(a) Long Term Borrowings	
Unsecured:	
- Medium Term Notes	389,310
Secured:	
- Term Loan	<u>34,863</u>
	<u>424,173</u>
(b) Short Term Borrowings	
Unsecured:	
- Bank Overdrafts	7,808
- Revolving Credit	138,000
- Medium Term Notes	240,000
Secured:	
- Term Loan	<u>6,063</u>
	<u>391,871</u>

## 21. CHANGES IN MATERIAL LITIGATION

Pursuant to the proceedings under Construction Industry Payment and Adjudication Act 2012 against CMC filed on 30 October 2015, the Adjudicator dismissed the claim filed by MCB. Hence, the Group provided an allowance for impairment of trade receivables and other current assets amounted to RM98.4 million in the current financial year.

## 22. DIVIDEND

There were no dividends declared during the period ended 31 December 2016.

## 23. BASIC EARNINGS PER SHARE

The 'Basic and Diluted Loss Per Share' for the current period and the comparative period are calculated by dividing the loss for the period attributable to ordinary equity holders of the Company by the '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-16</b>	<b>12 MONTHS ENDED 31-DEC-16</b>
<u>Basic and Diluted Loss per share:-</u>		
(a) Loss for the period attributable to owners of the Company (RM'000)	<u>(127,314)</u>	<u>(264,917)</u>
(b) Weighted average number of ordinary shares ('000)	<u>540,020</u>	<u>540,020</u>
Basic and diluted loss per share (sen)	<u>(23.58)</u>	<u>(49.06)</u>

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

The breakdown of the retained earnings of the Group as at 31 December 2016 into realised and unrealised profits is presented as follow:-

	<b>AS AT 31-DEC-16 RM'000</b>
Total retained earnings of the Group:-	
- Realised	1,104,523
- Unrealised	2,591
Share of result of associate:-	
- Realised	(146,470)
Less: Consolidated adjustments	<u>(411,987)</u>
Retained profits as per consolidated financial statements	<u>548,657</u>