

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-JUNE-17 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUNE-16 RM'000	CURRENT YEAR TO DATE 30-JUNE-17 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-JUNE-16 RM'000
<b>Continuing Operations</b>				
Revenue	149,008	171,006	306,001	348,460
Operating expenses	(143,566)	(160,964)	(284,526)	(314,311)
Profit from operations	<u>5,442</u>	<u>10,042</u>	<u>21,475</u>	<u>34,149</u>
Interest income	3,079	1,740	5,632	3,525
Other income/(expenses)	950	(358)	1,182	1,074
Foreign exchange gain/(loss)	8,107	1,710	7,355	(5,821)
Gain on disposal of property, plant and equipment	660	48	1,288	48
Impairment of financial assets	-	(22,643)	-	(22,643)
Depreciation and amortization	(4,399)	(4,109)	(8,500)	(8,061)
ESOS expenses	(447)	-	(894)	-
Interest expense	(11,159)	(6,146)	(22,563)	(12,905)
Share of results of associates	(25,634)	(61,342)	(54,299)	(61,088)
Reversal of unrealised profit adjustment	759	4,784	1,518	4,784
Loss before tax	<u>(22,642)</u>	<u>(76,274)</u>	<u>(47,806)</u>	<u>(66,938)</u>
Income tax expense	(910)	(45)	(1,882)	(2,419)
Loss after tax	<u>(23,552)</u>	<u>(76,319)</u>	<u>(49,688)</u>	<u>(69,357)</u>
<b>Other comprehensive (expenses)/income:</b>				
Foreign currency translation differences	(475)	1,612	(808)	(1,109)
Total comprehensive expense	<u>(24,027)</u>	<u>(74,707)</u>	<u>(50,496)</u>	<u>(70,466)</u>
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company	(24,254)	(75,963)	(51,013)	(70,011)
Non-controlling interest	702	(356)	1,325	654
	<u>(23,552)</u>	<u>(76,319)</u>	<u>(49,688)</u>	<u>(69,357)</u>
<b>Total comprehensive (expense)/income attributable to:</b>				
Owners of the Company	(24,571)	(74,351)	(51,633)	(71,120)
Non-controlling interest	544	(356)	1,137	654
	<u>(24,027)</u>	<u>(74,707)</u>	<u>(50,496)</u>	<u>(70,466)</u>
<b>Loss per share (sen) attributable to equity holders of the Company:</b>				
Basic loss per share (sen)	<u>(4.49)</u>	<u>(14.07)</u>	<u>(9.45)</u>	<u>(12.96)</u>
Diluted loss per share (sen)	<u>(4.42)</u>	<u>(13.81)</u>	<u>(9.31)</u>	<u>(12.73)</u>

**Note :**

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

The Basic EPS for both current and corresponding periods have been calculated based on weighted average of 540,020,000 ordinary shares. The Diluted EPS for both current and corresponding periods have been calculated based on adjusted weighted average of 548,181,000 and 550,028,000 respectively.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017**  
(The figures have not been audited)

	AS AT 30-JUNE-17 RM'000	AS AT 31-DEC-16 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	114,169	113,172
Investment properties	48,706	49,116
Intangible assets	10,843	11,153
Investment in associates	519,360	561,810
Other investments	808	816
Deferred tax asset	405	493
	<u>694,291</u>	<u>736,560</u>
<b>Current assets</b>		
Inventories	38,658	41,718
Property development costs	49,087	39,235
Trade and other receivables	353,361	402,715
Other current assets	454,949	485,121
Tax recoverable	16,480	15,973
Cash and bank balances	294,505	328,120
	<u>1,207,040</u>	<u>1,312,882</u>
<b>TOTAL ASSETS</b>	<b><u>1,901,331</u></b>	<b><u>2,049,442</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	337,122	110,483
Reserves	339,189	616,822
Equity attributable to owners of the Company	<u>676,311</u>	<u>727,305</u>
Non-controlling interests	(17,275)	(18,181)
<b>Total equity</b>	<u>659,036</u>	<u>709,124</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,224	2,224
Loans and borrowings	411,427	424,596
Refundable deposits	2,252	2,039
	<u>415,903</u>	<u>428,859</u>
<b>Current liabilities</b>		
Trade and other payables	419,189	500,974
Amount due to contracts customers	44,601	17,945
Loans and borrowings	362,457	392,076
Tax liabilities	145	464
	<u>826,392</u>	<u>911,459</u>
<b>Total liabilities</b>	<u>1,242,295</u>	<u>1,340,318</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1,901,331</u></b>	<b><u>2,049,442</u></b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>1.26</u>	<u>1.35</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 2016.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

(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	Employees' share option reserve RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non - controlling interests RM'000	Total equity RM'000
<b>At 1 January 2017</b>	110,483	221,739	4,900	8,535	(34,688)	(13,955)	430,291	727,305	(18,181)	709,124
Audit adjustments not taken up	-	-	-	-	-	(191)	(64)	(255)	(231)	(486)
Foreign currency translation differences for foreign operations	-	-	-	-	-	(620)	-	(620)	(188)	(808)
Share-based payment transactions	-	-	-	894	-	-	-	894	-	894
(Loss)/Profit for the period	-	-	-	-	-	-	(51,013)	(51,013)	1,325	(49,688)
	-	-	-	894	-	(811)	(51,077)	(50,994)	906	(50,088)
<b>Transition to no-par value regime<sup>^</sup></b>	226,639	(221,739)	(4,900)	-	-	-	-	-	-	-
<b>At 30 June 2017</b>	<u>337,122</u>	<u>-</u>	<u>-</u>	<u>9,429</u>	<u>(34,688)</u>	<u>(14,766)</u>	<u>379,214</u>	<u>676,311</u>	<u>(17,275)</u>	<u>659,036</u>
<b>At 1 January 2016</b>	110,483	221,739	4,900	8,609	(34,688)	(17,670)	812,548	1,105,921	(15,939)	1,089,982
Foreign currency translation differences for foreign operations	-	-	-	-	-	(1,109)	-	(1,109)	-	(1,109)
Profit for the period	-	-	-	-	-	-	(70,011)	(70,011)	654	(69,357)
	-	-	-	-	-	(1,109)	(70,011)	(71,120)	654	(70,466)
<b>At 30 June 2016</b>	<u>110,483</u>	<u>221,739</u>	<u>4,900</u>	<u>8,609</u>	<u>(34,688)</u>	<u>(18,779)</u>	<u>742,537</u>	<u>1,034,801</u>	<u>(15,285)</u>	<u>1,019,516</u>

<sup>^</sup> Pursuant to the transitional provisions set out in Section 618(2) of the Companies Act, 2016, the concept of nominal value in shares is abolished. Consequently, the share premium account and capital redemption reserves of a Company are no longer relevant. Instead, the amount standing in the share premium account and the capital redemption reserve are recognised as part of the Company's share capital. Notwithstanding this provision, a Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium accounts for the bonus issue pursuant to Section 618(4) of the Act.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

(The figures have not been audited)

	<b>6 MONTHS ENDED</b>	
	<b>30-JUNE-17</b>	<b>30-JUNE-16</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(47,806)	(66,938)
Adjustments for:		
Amortisation of intangible asset	310	310
Depreciation of investment property	492	360
Depreciation of property, plant and equipment	7,698	7,391
ESOS expenses	894	-
Gain on disposal of property, plant and equipment	(1,288)	(48)
Impairment of financial assets	-	22,643
Interest income	(5,632)	(3,525)
Interest expense	22,563	12,905
Share of results of equity accounted associates	54,299	61,088
Reversal of unrealised profit adjustment	(1,518)	(4,784)
Unrealised (gain)/loss on foreign exchange	(7,700)	5,810
Operating profit before working capital changes	<u>22,312</u>	<u>35,212</u>
Changes in working capital:		
Inventories	3,060	18,586
Property development costs	(9,852)	(4,663)
Trade and other receivables	65,504	(228)
Trade and other payables	(55,284)	(3,254)
Cash generated from operations	<u>25,740</u>	<u>45,653</u>
Tax paid	(2,727)	(4,279)
Tax refunded	99	2,113
<b>Net cash generated from operating activities</b>	<u>23,112</u>	<u>43,487</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of an associate	(10,331)	-
Advances from/(to) associates	368	(6,025)
Interest received	5,632	3,525
Purchase of property, plant and equipment	(3,689)	(2,186)
Proceeds from disposal of property, plant and equipment	1,410	48
Change in pledged deposits	(215,182)	-
<b>Net cash generated used in investing activities</b>	<u>(221,792)</u>	<u>(4,638)</u>

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2017 (CONT'D)**

(The figures have not been audited)

	<b>6 MONTHS ENDED</b>	
	<b>30-JUNE-17</b>	<b>30-JUNE-16</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(22,563)	(12,905)
Proceeds from loans and borrowings	223,700	-
Repayment of loans and borrowings	(250,840)	(63,031)
Repayment of finance lease liabilities	(414)	-
<b>Net cash generated used in financing activities</b>	<u>(50,117)</u>	<u>(75,936)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(248,797)	(37,087)
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD</b>	318,252	70,176
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD</b>	<u>69,455</u>	<u>33,089</u>
<b>Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise:</b>		
Cash and bank balances	294,505	33,089
Less:		
Deposits pledged for banking facilities	(225,050)	-
	<u>69,455</u>	<u>33,089</u>

Note :

The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

## **QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

### **NOTES TO QUARTERLY REPORT**

#### **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 2016. The explanatory notes attached to the interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2016.

R.K.M Powergen Private Limited (“RKM”), a 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 for the period ended 30 June 2017 with its year end audit still ongoing, the Group relied on RKM's unaudited management accounts for the period ended 30 June 2017 which included the depreciation charges of Units I & II of the Independent Power Plant (“IPP”) that had achieved Commercial Operation Date (“COD”) and the corresponding interest costs from borrowings taken to build Units I & II, which could no longer be capitalized after COD.

The significant accounting policies and methods adopted by the Group in the unaudited interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 December 2016 excepts as follows:

On 1 January 2017, the Group adopted the following FRS and Amendments to FRS mandatory for annual financial periods beginning on or after 1 January 2017:

Amendments to FRS 12, *Disclosure of Interests in Other Entities*

*(Annual Improvements to FRS Standards 2014-2016 Cycle)*

Amendments to FRS 107, *Statements of Cash Flows - Disclosures Initiatives*

Amendments to FRS 112, *Income Taxes - Recognition of Deferred Tax for Unrealised Losses*

The adoption of the above standards will have no material impact on the financial statements of the Group.

#### **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.



## **QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

### **NOTES TO QUARTERLY REPORT**

#### **1. BASIS OF PREPARATION (CONT'D)**

##### **Malaysian Financial Reporting Standards (MFRS) Framework (cont'd)**

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 Group is currently assessing the impact of adoption of new MFRS Framework. The financial performance and financial position and the accounting policy as disclosed in the financial statements for the period ended 30 June 2017 could be different if prepared under the MFRS Framework.

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

The audit report on the financial statements for the year ended 31 December 2016 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 30 June 2017, 14,018,300 ordinary shares were still retained as treasury shares in the Company. There were no purchase of share in the market during the current quarter ended 30 June 2017.

There were no new ordinary shares issued under the Employees' Share Option Scheme ("ESOS") for the current quarter ended 30 June 2017. As at 30 June 2017, a total of 4,102,000 new ordinary shares have been issued under the ESOS.

#### **7. DIVIDEND PAID**

There were no dividend paid during the period under review.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

**NOTES TO QUARTERLY REPORT**

**8 SEGMENTAL INFORMATION**

**QUARTERLY RESULTS:**

	Construction contracts RM'000	Property* RM'000	Power RM'000	Trading, Manufacturing and others* RM'000	Adjustments and eliminations RM'000	Total RM'000
<b>Q2 2017</b>						
<b>REVENUE :</b>						
External customers	122,466	4,968	3,109	18,465	-	149,008
Inter-segment	-	309	-	1,021	(1,330)	-
<b>Total revenue</b>	<b>122,466</b>	<b>5,277</b>	<b>3,109</b>	<b>19,486</b>	<b>(1,330)</b>	<b>149,008</b>

**RESULTS :**

**Included in the measure of segment**

**profit/(loss) are:**

Profit/(Loss) before tax	934	1,366	(25,008)	(1,751)	1,817	(22,642)
Interest income	1,226	1,567	1,059	952	(1,725)	3,079
Interest expenses	(6,214)	-	(562)	(4,399)	16	(11,159)
Depreciation and amortisation	(2,650)	(347)	(1,107)	(295)	-	(4,399)
Share of loss of associates	(120)	(476)	(25,038)	-	-	(25,634)
ESOS expenses	(447)	-	-	-	-	(447)
Income tax expenses	-	(514)	-	(396)	-	(910)
Profit/(Loss) after tax	934	852	(25,008)	(2,147)	1,817	(23,552)

**Q2 2016**

**REVENUE :**

External customers	138,913	6,012	3,094	22,987	-	171,006
Inter-segment	(9)	288	-	1,755	(2,034)	-
<b>Total revenue</b>	<b>138,904</b>	<b>6,300</b>	<b>3,094</b>	<b>24,742</b>	<b>(2,034)</b>	<b>171,006</b>

**RESULTS :**

**Included in the measure of segment**

**profit/(loss) are:**

(Loss)/Profit before tax	(9,485)	2,844	(75,071)	1,293	4,145	(76,274)
Interest income	128	898	781	24	(91)	1,740
Interest expenses	(5,484)	(83)	(670)	-	91	(6,146)
Depreciation and amortisation	(2,564)	(216)	(1,262)	(67)	-	(4,109)
Share of loss of associates	-	(248)	(61,094)	-	-	(61,342)
ESOS expenses	-	-	-	-	-	-
Income tax expenses	874	(179)	-	(740)	-	(45)
(Loss)/Profit after tax	(8,611)	2,665	(75,071)	553	4,145	(76,319)



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

**NOTES TO QUARTERLY REPORT**

**8 SEGMENTAL INFORMATION (CONT'D)**

**YEAR-TO-DATE RESULTS:**

<b><u>6 MONTHS ENDED 30-JUNE-17</u></b>	<b>Construction contracts RM'000</b>	<b>Property* RM'000</b>	<b>Power RM'000</b>	<b>Trading, Manufacturing and others* RM'000</b>	<b>Adjustments and eliminations RM'000</b>	<b>Total RM'000</b>
<b>REVENUE :</b>						
External customers	250,537	12,283	5,881	37,300	-	306,001
Inter-segment	-	597	-	6,515	(7,112)	-
<b>Total revenue</b>	<b>250,537</b>	<b>12,880</b>	<b>5,881</b>	<b>43,815</b>	<b>(7,112)</b>	<b>306,001</b>
<b>RESULTS :</b>						
<b>Included in the measure of segment profit/(loss) are:</b>						
Profit/(Loss) before tax	3,372	3,733	(50,795)	(4,366)	250	(47,806)
Interest income	1,871	1,789	1,786	1,953	(1,767)	5,632
Interest expenses	(12,399)	-	(1,140)	(9,082)	58	(22,563)
Depreciation and amortisation	(5,079)	(696)	(2,214)	(511)	-	(8,500)
Share of loss of associates	(140)	(476)	(53,683)	-	-	(54,299)
ESOS expenses	(894)	-	-	-	-	(894)
Income tax expenses	-	(1,158)	-	(724)	-	(1,882)
Profit/(Loss) after tax	<b>3,372</b>	<b>2,576</b>	<b>(50,795)</b>	<b>(5,091)</b>	<b>250</b>	<b>(49,688)</b>
<b>Assets :</b>						
Investment in associates	3,875	9,905	505,580	-	-	519,360
Additions to non-current assets <sup>^</sup>	30,257	63,663	67,579	3,443	(2,067)	162,875
Segment assets	<b>1,765,201</b>	<b>180,318</b>	<b>135,153</b>	<b>636,051</b>	<b>(815,392)</b>	<b>1,901,331</b>
<b>Segment liabilities :</b>	<b>902</b>	<b>36,717</b>	<b>118,338</b>	<b>266,522</b>	<b>819,816</b>	<b>1,242,295</b>
<b><u>6 MONTHS ENDED 30-JUNE-16</u></b>						
<b>REVENUE :</b>						
External customers	291,970	14,129	6,425	35,936	-	348,460
Inter-segment	368	576	-	5,897	(6,841)	-
<b>Total revenue</b>	<b>292,338</b>	<b>14,705</b>	<b>6,425</b>	<b>41,833</b>	<b>(6,841)</b>	<b>348,460</b>
<b>RESULTS :</b>						
<b>Included in the measure of segment profit/(loss) are:</b>						
(Loss)/Profit before tax	(4,077)	6,677	(74,824)	1,330	3,956	(66,938)
Interest income	388	1,747	1,577	43	(230)	3,525
Interest expenses	(11,628)	(131)	(1,376)	-	230	(12,905)
Depreciation and amortisation	(4,948)	(543)	(2,214)	(356)	-	(8,061)
Share of loss of associates	-	(920)	(60,168)	-	-	(61,088)
ESOS expenses	-	-	-	-	-	-
Income tax expenses	(530)	(1,049)	-	(840)	-	(2,419)
(Loss)/Profit after tax	<b>(4,607)</b>	<b>5,628</b>	<b>(74,824)</b>	<b>490</b>	<b>3,956</b>	<b>(69,357)</b>
<b>Assets :</b>						
Investment in associates	-	9,704	622,153	-	-	631,857
Additions to non-current assets <sup>^</sup>	31,660	65,041	71,388	2,615	(2,067)	168,637
Segment assets	<b>2,070,827</b>	<b>222,611</b>	<b>122,469</b>	<b>108,948</b>	<b>(618,366)</b>	<b>1,906,489</b>
<b>Segment liabilities :</b>	<b>817,120</b>	<b>86,081</b>	<b>115,481</b>	<b>59,588</b>	<b>(191,297)</b>	<b>886,973</b>

\* Rental income was previously reported under Trading, Manufacturing and others segment in Q2 2016, and now reclassified to Property segment in Q2 2017 retrospectively.

<sup>^</sup> Additions to non-current assets consist of property, plant and equipment and investment property.

The Group has no foreign operations which materially affected the profit of the Group other than share of results of RKM ( a 26% owned associate incorporated in India) and PT Harmoni Indonesia (a 46% owned associate incorporated in Indonesia).

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

**NOTES TO QUARTERLY REPORT**

**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>Associates</b>	<b>6 MONTHS</b>	<b>6 MONTHS</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>30-JUNE-17</b>	<b>30-JUNE-16</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Mayfair Ventures Sdn. Bhd.</i>		
Working capital advances	-	6,782
Interest income	-	(1,827)
<i>PT Harmoni Energy Indonesia</i>		
Repayment of working capital advances	-	(757)
Interest income	(1,250)	(1,166)

**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 10 July 2017, MJC Precast Sdn Bhd ("MJCP"), an indirect wholly-owned subsidiary of the Company acquired the remaining 300,000 ordinary shares in Mudajaya IBS Sdn Bhd ("Mudajaya IBS"), representing 30% equity interest in Mudajaya IBS for a total consideration of RM229,273.19. Upon completion of the acquisition, Mudajaya IBS became a wholly-owned subsidiary of MJCP.

On 29 July 2017, MIPP International Ltd, ("MIPP"), a 80% owned subsidiary of Mudajaya Corporation Berhad, which in turn is a wholly-owned subsidiary of the Company incorporated a limited company known as MIPP (B) Sdn Bhd ("MIPPB"). As a result of the incorporation, MIPPB became an indirect 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:**

	Individual Quarter			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	30-JUNE-17	30-JUNE-16	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	149,008	171,006	(21,998)	(13)
Profit from operations	5,442	10,042	(4,600)	(46)
Loss before interest and tax	(11,483)	(70,128)	58,645	(84)
Loss before tax	(22,642)	(76,274)	53,632	(70)
Loss after tax	(23,552)	(76,319)	52,767	(69)
Loss attributable to owners of the Company	(24,254)	(75,963)	51,709	(68)



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

**NOTES TO QUARTERLY REPORT**

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

**QUARTERLY ANALYSIS (CONT'D):**

The Group reported revenue of RM149.0 million and loss before tax ("LBT") of RM22.6 million in current quarter as compared to revenue of RM171.0 million and LBT of RM76.3 million in the corresponding quarter of 2016. Lower revenue was mainly attributable to near completion of the construction projects in Pengerang, while lower LBT was mainly due to share of lower losses from RKM Powergen Pvt Ltd ("RKM") which undertakes the 4x360MW IPP in Chhattisgarh, India.

The performance of the respective business segment is as follow:

**Construction segment:** This segment reported revenue and profit before tax ("PBT") of RM122.5 million and RM0.9 million respectively for current quarter as compared to revenue of RM138.9 million and LBT of RM9.5 million for the previous year corresponding quarter. Lower revenue was mainly due to near completion of the construction projects in Pengerang, while LBT in the corresponding quarter of 2016 was affected by the impairment of assets.

**Property segment:** This segment reported revenue and PBT of RM5.0 million and RM1.4 million respectively for current quarter as compared to revenue of RM6.0 million and PBT of RM2.8 million for the previous year corresponding quarter. Lower revenue and PBT were mainly due to lower sales of properties in Batu Kawah New Township, Kuching.

**Power segment:** This segment reported revenue and LBT of RM3.1 million and RM53.7 million respectively for current quarter as compared to revenue of RM3.1 million and LBT of RM75.1 million for the previous year corresponding quarter. Lower LBT in current quarter was mainly due to share of lower losses from RKM Powergen Pvt Ltd ("RKM") which undertakes the 4x360MW IPP in Chhattisgarh, India due to commencement of power sales for Unit 1 in April 2017.

**Other segment:** This segment comprises primarily the manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM18.5 million and RM1.8 million respectively for current quarter as compared to revenue of RM23.0 million and PBT of RM1.4 million for the previous year corresponding quarter. Lower revenue in current quarter was mainly due to near completion of construction projects which affected the sales of construction materials to subcontractors. LBT reported in this segment was mainly attributable to higher financing cost on the Group's borrowings for the current quarter.

**YEAR-TO-DATE ANALYSIS:**

	Cumulative Period			
	Current Year To-date 30-JUNE-17	Preceding Year Corresponding Period 30-JUNE-16	Changes	
			RM'000	%
Revenue	306,001	348,460	(42,459)	(12)
Profit from operations	21,475	34,149	(12,674)	(37)
Loss before interest and tax	(25,243)	(54,033)	28,790	(53)
Loss before tax	(47,806)	(66,938)	19,132	(29)
Loss after tax	(49,688)	(69,357)	19,669	(28)
Loss attributable to owners of the Company	(51,013)	(70,011)	18,998	(27)

The Group reported revenue of RM306.0 million and LBT of RM47.8 million for the period ended 30 June 2017 as compared to revenue of RM348.5 million and LBT of RM66.9 million for the previous year corresponding period ended 30 June 2016. Lower revenue and LBT in current period was mainly attributable to near completion of the construction projects in Pengerang and share of lower losses from RKM Powergen Pvt Ltd ("RKM") which undertakes the 4x360MW IPP in Chhattisgarh, India.

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

**Construction segment :** This segment reported revenue and PBT of RM250.5 million and RM3.4 million respectively for the period ended 30 June 2017 as compared to revenue of RM292.0 million and LBT of RM4.1 million for the previous corresponding period ended 30 June 2016. Lower revenue was mainly due to near completion of the construction projects in Pengerang. LBT in the corresponding period of 2016 was affected by the impairment of assets.

**Property segment :** This segment reported revenue and PBT of RM12.3 million and RM3.7 million respectively for the period ended 30 June 2017 as compared to revenue of RM14.1 million and PBT of RM6.7 million for the previous corresponding period ended 30 June 2016. Lower revenue and PBT were mainly due to lower sales of properties in Batu Kawah New Township, Kuching.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

**NOTES TO QUARTERLY REPORT**

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

**YEAR-TO-DATE ANALYSIS (CONT'D):**

Power segment : The segment reported revenue and LBT of RM5.9 million and RM50.8 million respectively for the period ended 30 June 2017 as compared to revenue of RM6.4 million and LBT of RM75.7 million for the previous year corresponding period ended 30 June 2016. Lower LBT was mainly attributable to the share of lower losses from RKM due to commencement of its power sales for Unit 1 in April 2017.

Others segment : This segment comprises primarily the manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM37.3 million and RM4.4 million respectively for the period ended 30 June 2017 as compared to revenue of RM38.9 million and PBT of RM3.5 million for the previous corresponding period ended 30 June 2016. LBT reported in the current period was mainly attributable to additional financing cost on the Group's borrowings.

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

	Current Year Quarter 30-JUNE-17	Immediate Preceding Quarter 31-MAR-17	Changes	
	RM'000	RM'000	RM'000	%
Revenue	149,008	156,993	(7,985)	(5)
Profit from operations	5,442	16,033	(10,591)	(66)
Loss before interest and tax	(11,483)	(13,760)	2,277	(17)
Loss before tax	(22,642)	(25,164)	2,522	(10)
Loss after tax	(23,552)	(26,136)	2,584	(10)
Loss attributable to owners of the Company	(24,254)	(26,759)	2,505	(9)

The Group reported revenue of RM149.0 and LBT of RM22.6 million in the current quarter as compared to revenue of RM157.0 and LBT of RM25.2 million in the preceding quarter. Lower revenue and LBT are mainly attributable to near completion of the construction projects in Pengerang and share of lower losses from RKM Powergen Pvt Ltd ("RKM") which undertakes the 4x360MW IPP in Chattisgarh, India.

**16. PROSPECTS**

The construction sector in Malaysia remains vibrant with an on-going stream of mega-infrastructure projects to be undertaken 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 construction order book of RM2.4 billion as at the reporting date is expected to sustain its 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. As at to-date, RKM is supplying 200 Mega Watts ("MW") power to several power distribution companies in the State of Uttar Pradesh pursuant to the Power Purchase Agreement dated 15 March 2016.

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 business 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 30-JUNE-17 RM'000</b>	<b>6 MONTHS 30-JUNE-17 RM'000</b>
Current income tax:		
- Malaysian income tax	<u>(910)</u>	<u>(1,882)</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 associates.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

**NOTES TO QUARTERLY REPORT**

**19. STATUS OF CORPORATE PROPOSALS**

On 11 July 2017, the Company proposed to undertake a private placement of up to 10% of the total number of issued shares of the Company ("The Proposal"). The application pursuant to the Proposal was submitted to Bursa Malaysia Securities Berhad on 3 August 2017 and was approved for the listing and quotation on the Main Market of Bursa Securities on 25 August 2017.

**20. GROUP BORROWINGS AND DEBT SECURITIES**

(i) Details of the Group's borrowings were as follows:

As at 30 June 2017				
	Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>				
<i>Revolving credits</i>	Floating	-	98,000	98,000
<i>Finance lease liabilities</i>	Fixed	317	5,107	5,424
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	-	214,803	214,803
<i>Term loan denominated in RM</i>	Floating	33,347	4,547	37,894
		<u>33,664</u>	<u>322,457</u>	<u>356,121</u>
<b>Unsecured</b>				
<i>Revolving credits</i>	Floating	-	40,000	40,000
<i>Islamic Medium Term Notes("IMTN")</i>	Fixed	120,000	-	120,000
<i>Euro Medium Term Notes ("EMTN") denominated in USD (USD60 million)</i>	Fixed	257,763	-	257,763
		<u>377,763</u>	<u>40,000</u>	<u>417,763</u>
<b>Total Group's borrowings</b>		<u>411,427</u>	<u>362,457</u>	<u>773,884</u>
As at 30 June 2016				
	Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>				
<i>Term loan denominated in RM</i>	Floating	40,926	3,032	43,958
<b>Unsecured</b>				
<i>Islamic Medium Term Notes("IMTN")</i>	Fixed	120,000	240,000	360,000
<i>Revolving Credit</i>	Floating	-	80,000	80,000
		<u>120,000</u>	<u>320,000</u>	<u>440,000</u>
<b>Total Group's borrowings</b>		<u>160,926</u>	<u>323,032</u>	<u>483,958</u>

(ii) Total borrowings increased from RM484.0 million as at 30 June 2016 to RM773.9 million as at 30 June 2017 mainly due to drawdown of term loan amounting to RM214.8 million for redemption of RM240 million IMTN and issuance of EMTN amounting to RM257.8 million for working capital and investment purposes.

(iii) Total repayment of borrowing during the period ended 30 June 2017 was RM250.8 million with estimated net interest savings of RM11.7 million per annum.

(iv) The weighted average interest rate of the Group's borrowings was 5.8%.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

**NOTES TO QUARTERLY REPORT**

**21. FINANCIAL RISK MANAGEMENT**

The Group has exposure on credit risk from its receivables:

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers wish to trade on credit terms are subject to credit evaluation procedures and the exposure to credit risk is monitored on an ongoing basis.

Ageing analysis of trade receivables of the Group are as follows:

	AS AT 30-JUNE-17 RM'000
Neither past due nor impaired	67,237
1 to 30 days past due but not impaired	62,534
31 to 60 days past due but not impaired	5,105
More than 60 days are past due but not impaired	167,896
	235,535
Trade receivables that are impaired	269
	<u>303,041</u>

Trade receivables are non-interest bearing and generally on 30 days to 90 days terms to third party and 30 days terms to related party.

Included in trade receivables (more than 60 days are past due but not impaired) is amount due from an associate of RM 162.3 million with subsequent collection of RM6.4 million.

**22. CHANGES IN MATERIAL LITIGATION**

There was no material litigation against the Group as at the reporting date.

**23. DIVIDEND**

There was no dividend declared during the period ended 30 June 2017.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

**NOTES TO QUARTERLY REPORT**

**24. BASIC EARNINGS PER SHARE**

The 'Basic loss per share' and 'Diluted loss per share' for the current period and the comparative period are calculated by dividing the loss for the period attributable to owners 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 30-JUNE-17</b>	<b>MONTHS ENDED 30-JUNE-17</b>
(i) <u>Basic loss per share:-</u>		
(a) Loss for the period attributable to owners of the Company (RM'000)	<u>(24,254)</u>	<u>(51,013)</u>
(b) Weighted average number of ordinary shares ('000)	<u>540,020</u>	<u>540,020</u>
Basic loss per share (sen)	<u>(4.49)</u>	<u>(9.45)</u>
(ii) <u>Diluted loss per share:-</u>		
(a) Loss for the period attributable to owners of the Company (RM'000)	<u>(24,254)</u>	<u>(51,013)</u>
(b) Weighted average number of ordinary shares ('000)	<u>540,020</u>	<u>540,020</u>
Effect of dilution - ESOS ('000)	<u>8,161</u>	<u>8,161</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>548,181</u>	<u>548,181</u>
Diluted loss per share (sen)	<u>(4.42)</u>	<u>(9.31)</u>

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

The breakdown of the retained earnings of the Group as at 30 June 2017 into realised and unrealised profits is presented as follow:-

	<b>AS AT 30-JUNE-17 RM'000</b>
Total retained earnings of the Group:-	
- Realised	919,253
- Unrealised	5,881
Share of result of associate:-	
- Realised	(201,958)
Less: Consolidated adjustments	<u>(343,962)</u>
Retained profits as per consolidated financial statements	<u>379,214</u>