

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2018

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-MAR-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-MAR-17 RM'000	CURRENT YEAR TO DATE 31-MAR-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-MAR-17 RM'000
Continuing Operations				
Revenue	187,367	156,993	187,367	156,993
Operating expenses	(172,171)	(140,960)	(172,171)	(140,960)
Profit from operations	<u>15,196</u>	<u>16,033</u>	<u>15,196</u>	<u>16,033</u>
Interest income	4,374	2,553	4,374	2,553
Other income	4,788	233	4,788	233
Foreign exchange loss	(7,419)	(752)	(7,419)	(752)
Depreciation and amortization	(4,737)	(4,101)	(4,737)	(4,101)
Gain on disposal of property, plant and equipment	1,091	628	1,091	628
ESOS expenses	(297)	(447)	(297)	(447)
Interest expense	(10,419)	(11,404)	(10,419)	(11,404)
Share of results of associates	(36,349)	(28,665)	(36,349)	(28,665)
Reversal of unrealised profit adjustment	758	758	758	758
Loss before tax	<u>(33,014)</u>	<u>(25,164)</u>	<u>(33,014)</u>	<u>(25,164)</u>
Income tax expense	(1,283)	(972)	(1,283)	(972)
Loss after tax	<u>(34,297)</u>	<u>(26,136)</u>	<u>(34,297)</u>	<u>(26,136)</u>
Other comprehensive income/(expenses):				
Foreign currency translation differences	630	(333)	630	(333)
Total comprehensive expense	<u>(33,667)</u>	<u>(26,469)</u>	<u>(33,667)</u>	<u>(26,469)</u>
Loss attributable to:				
Owners of the Company	(33,690)	(26,759)	(33,690)	(26,759)
Non-controlling interest	(607)	623	(607)	623
	<u>(34,297)</u>	<u>(26,136)</u>	<u>(34,297)</u>	<u>(26,136)</u>
Total comprehensive expense attributable to:				
Owners of the Company	(33,080)	(27,062)	(33,080)	(27,062)
Non-controlling interest	(587)	593	(587)	593
	<u>(33,667)</u>	<u>(26,469)</u>	<u>(33,667)</u>	<u>(26,469)</u>
Loss per share (sen) attributable to equity holders of the Company:				
Basic and diluted loss per share (sen)	<u>(5.69)</u>	<u>(4.96)</u>	<u>(5.69)</u>	<u>(4.96)</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 2017.

The basic and diluted loss per ordinary shares for both current and corresponding periods were calculated based on weighted average ordinary shares of 591,805,000 and 540,020,000 respectively.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018
(The figures have not been audited)

	AS AT 31-MAR-18 RM'000	AS AT 31-DEC-17 RM'000
Assets		
Property, plant and equipment	47,653	48,018
Investment property	50,735	50,935
Intangible asset	10,379	10,533
Service concession assets	123,985	74,839
Investment in associates	392,932	427,729
Other investments	5,291	5,291
Deferred tax asset	7,933	7,633
Total non-current assets	638,908	624,978
Inventories	44,728	45,257
Property development costs	60,454	55,625
Trade and other receivables	263,941	312,662
Other current assets	348,271	334,023
Tax recoverable	19,005	17,939
Cash and bank balances	587,695	456,853
Total current assets	1,324,094	1,222,359
Total assets	1,963,002	1,847,337
Equity		
Share capital	393,172	393,172
Treasury shares	(36,071)	(35,227)
Capital reserve	4,900	4,900
Employees' share option reserve	9,871	9,574
Foreign currency translation reserve	(13,163)	(13,773)
Retained earnings	272,449	306,139
Equity attributable to owners of the Company	631,158	664,785
Non-controlling interests	(16,452)	(15,865)
Total equity	614,706	648,920
Liabilities		
Loans and borrowings	558,458	401,662
Refundable deposits	2,194	2,219
Deferred tax liabilities	6,124	5,525
Deferred income	5,659	5,659
Total non-current liabilities	572,435	415,065
Trade and other payables	356,716	351,247
Amount due to contracts customers	61,788	68,818
Tax liabilities	982	72
Loans and borrowings	348,375	350,892
Derivative financial liabilities	8,000	12,323
Total current liabilities	775,861	783,352
Total liabilities	1,348,296	1,198,417
Total equity and liabilities	1,963,002	1,847,337
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.07	1.12

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 2017.

The Net Assets Per Share for both current and corresponding periods have been calculated based on 605,418,466 ordinary shares less treasury shares respectively.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2018
(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
At 1 January 2018	393,172	-	4,900	9,574	(35,227)	(13,773)	306,139	664,785	(15,865)	648,920
Foreign currency translation differences for foreign operations	-	-	-	-	-	610	-	610	20	630
(Loss)/Profit for the period	-	-	-	-	-	-	(33,690)	(33,690)	(607)	(34,297)
Total comprehensive income/(expense)	-	-	-	-	-	610	(33,690)	(33,080)	(587)	(33,667)
Contribution by and distributions to owners of the Company										
Share-based payment transaction	-	-	-	297	-	-	-	297	-	297
Repurchase of ordinary shares	-	-	-	-	(844)	-	-	(844)	-	(844)
Total transactions with owners of the Company	-	-	-	297	(844)	-	-	(547)	-	(547)
Transfer in accordance with Section 618(2) of the Companies Act 2016	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	393,172	-	4,900	9,871	(36,071)	(13,163)	272,449	631,158	(16,452)	614,706
At 1 January 2017	110,483	221,739	4,900	8,535	(34,688)	(13,955)	430,291	727,305	(18,181)	709,124
Foreign currency translation differences for foreign operations	-	-	-	-	-	(303)	-	(303)	(30)	(333)
(Loss)/Profit for the period	-	-	-	-	-	-	(26,759)	(26,759)	623	(26,136)
Total comprehensive income/(expense)	-	-	-	-	-	(303)	(26,759)	(27,062)	593	(26,469)
Contribution by and distributions to owners of the Company										
Share-based payment transaction	-	-	-	447	-	-	-	447	-	447
Total transactions with owners of the Company	-	-	-	447	-	-	-	447	-	447
Transfer in accordance with Section 618(2) of the Companies Act 2016	221,739	(221,739)	-	-	-	-	-	-	-	-
At 31 March 2017	332,222	-	4,900	8,982	(34,688)	(14,258)	403,532	700,690	(17,588)	683,102

^ 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 FIRST QUARTER ENDED 31 MARCH 2018**

(The figures have not been audited)

	3 MONTHS ENDED	
	31-MAR-18	31-MAR-17
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(33,014)	(25,164)
Adjustments for:		
Amortisation of intangible asset	155	155
Amortisation of service concession assets	957	-
Depreciation of investment property	250	246
Depreciation of property, plant and equipment	3,375	3,700
ESOS expenses	297	447
Gain on disposal of property, plant and equipment	(1,091)	(628)
Fair value (gain)/loss on derivative	(4,323)	3,313
Interest income	(4,374)	(2,553)
Interest expense	10,419	11,404
Share of results of equity accounted associates	36,349	28,665
Reversal of unrealised profit adjustment	(758)	(758)
Unrealised loss on foreign exchange	6,318	415
Operating profit before working capital changes	<u>14,560</u>	<u>19,242</u>
Changes in working capital:		
Inventories	529	2,047
Property development costs	(4,829)	(4,099)
Trade and other receivables	20,128	85,621
Trade and other payables	(1,571)	(76,048)
Cash generated from operations	<u>28,817</u>	<u>26,763</u>
Tax paid	(875)	(2,316)
Tax refunded	403	79
Net cash generated from operating activities	<u>28,345</u>	<u>24,526</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in service concession assets	(49,653)	-
Interest received	4,374	2,553
Purchase of property, plant and equipment	(1,169)	(312)
Proceeds from disposal of property, plant and equipment	1,200	702
Change in pledged deposits	(248,397)	(232,001)
Net cash generated used in investing activities	<u>(293,645)</u>	<u>(229,058)</u>

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (CONT'D)**

(The figures have not been audited)

	3 MONTHS ENDED	
	31-MAR-18	31-MAR-17
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(10,419)	(11,404)
Net drawdown/(repayment) of loans and borrowings	159,758	(2,530)
Repayment of finance lease liabilities	(735)	(91)
Advance to an associate	(15)	-
Share buyback	(844)	-
Net cash generated from/(used in) financing activities	147,745	(14,025)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(117,555)	(218,557)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	226,219	318,252
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	108,664	99,695
Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise:		
Cash and bank balances	211,970	286,870
Deposits placed with financial institutions	375,725	54,694
	587,695	341,564
Less:		
Pledged deposits	(479,031)	(241,869)
	108,664	99,695

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 2017.



QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

NOTES TO QUARTERLY REPORT

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with MFRS 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 2017. 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 2017.

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 2017. In accounting for the Group’s share of results in RKM for the period ended 31 March 2018 with its year end audit still ongoing, the Group relied on RKM’s unaudited management accounts for the period ended 31 March 2018 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. RKM has commenced its power sales for Unit I in April 2017, whilst Unit II has yet to commence power sales during the period under review.

Compliance with Malaysian Financial Reporting Standards and the Companies Act 2016

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and the requirements of the Companies Act 2016.

Transition to MFRS Framework

In the previous years, the financial statements of the Group and the Company were prepared in accordance with the Transitioning Entity FRS Framework. For the current period ended 31 March 2018, the Group have made a transition to the MFRS Framework on 1 January 2017.

Adoption of the new framework requires that all the Standards in the MFRS Framework to be applied to the Group for the current period ended 31 March 2018. Based on the assessment undertaken to date, the Group does not expect material financial impact arising from the adoption of accounting standards under the MFRS framework.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, Financial Instruments (2014)
- MFRS 15, Revenue from Contracts with Customers
- Clarifications to MFRS 15, Revenue from Contracts with Customers
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 2, Share-based Payment – Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 4, Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 140, Investment Property – Transfers of Investment Property



QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

NOTES TO QUARTERLY REPORT

2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report on the financial statements for the year ended 31 December 2017 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 bought back a total of 930,000 ordinary shares in the current quarter. As at 31 March 2018, 15,543,300 ordinary shares were still retained as treasury shares in the Company.

There were no new ordinary shares issued under the Employees' Share Option Scheme ("ESOS") for the current quarter ended 31 March 2018. As at 31 March 2018, 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 FIRST QUARTER ENDED 31 MARCH 2018

NOTES TO QUARTERLY REPORT

8 SEGMENTAL INFORMATION

QUARTERLY AND YEAR-TO-DATE RESULTS:

<u>Q1 2018 AND 3 MONTHS ENDED 31-MAR-18:</u>	Construction contracts RM'000	Property RM'000	Power RM'000	Trading, Manufacturing and others* RM'000	Adjustments and eliminations RM'000	Total RM'000
REVENUE :						
External customers	116,163	2,739	60,902	7,563	-	187,367
Inter-segment	50,107	367	-	5,568	(56,042)	-
Total revenue	166,270	3,106	60,902	13,131	(56,042)	187,367
RESULTS :						
Included in the measure of segment profit/(loss) are:						
Profit/(Loss) before tax	2,779	754	(30,562)	(5,985)	-	(33,014)
Interest income	992	21	2,417	944	-	4,374
Interest expenses	(5,724)	(43)	(499)	(4,153)	-	(10,419)
Depreciation and amortisation	(2,791)	(349)	(1,113)	(484)	-	(4,737)
Share of loss of associates	36	-	(36,385)	-	-	(36,349)
ESOS expenses	(297)	-	-	-	-	(297)
Income tax expenses	266	(837)	(213)	(499)	-	(1,283)
Profit/(Loss) after tax	3,045	(83)	(30,775)	(6,484)	-	(34,297)
Assets :						
Investment in associates	3,952	-	388,980	-	-	392,932
Additions to non-current assets [^]	2,745	6	57,299	437	-	60,487
Segment assets	1,745,435	246,893	452,283	678,045	(1,159,654)	1,963,002
Segment liabilities :	870,816	98,989	435,949	268,554	(326,012)	1,348,296
Q1 2017 AND 3 MONTHS ENDED 31-MAR-17:						
REVENUE :						
External customers	128,071	7,315	2,772	18,835	-	156,993
Inter-segment	-	288	-	5,494	(5,782)	-
Total revenue	128,071	7,603	2,772	24,329	(5,782)	156,993
RESULTS :						
Included in the measure of segment profit/(loss) are:						
Profit/(Loss) before tax	2,398	2,367	(25,938)	(3,991)	-	(25,164)
Interest income	645	6	900	1,002	-	2,553
Interest expenses	(6,143)	-	(577)	(4,684)	-	(11,404)
Depreciation and amortisation	(2,429)	(349)	(1,107)	(216)	-	(4,101)
Share of loss of associates	(20)	-	(28,645)	-	-	(28,665)
ESOS expenses	(447)	-	-	-	-	(447)
Income tax expenses	-	(644)	-	(328)	-	(972)
Profit/(Loss) after tax	2,398	1,723	(25,938)	(4,319)	-	(26,136)
Assets :						
Investment in associates	3,994	10,380	519,530	-	-	533,904
Additions to non-current assets [^]	2,421	2	-	-	-	2,423
Segment assets	1,764,657	179,813	126,131	660,174	(781,206)	1,949,569
Segment liabilities :	901,770	36,689	109,281	289,208	(70,481)	1,266,467

[^] Additions to non-current assets consist of property, plant and equipment, investment property and service concession assets.

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 Energy Indonesia (a 46% owned associate incorporated in Indonesia).



QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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:

	3 MONTHS ENDED 31-MAR-18 RM'000	3 MONTHS ENDED 31-MAR-17 RM'000
Associates		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	627	629
Secondment fee	95	-
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	630	-
Secondment fee	47	59
Corporate guarantee fee	87	87
Other related party		
A company related to directors		
<i>Mulpha Group Services Sdn Bhd</i>		
Rental income	235	235

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 7 March 2018, Mudajaya Corporation Berhad ("MCB") completed the disposal of 2 ordinary shares, representing 100% of total issued share capital of Piala Tebrau (M) Sdn. Bhd., a wholly-owned subsidiary of MCB to MJC Development Sdn. Bhd. ("MJC Development"), a wholly-owned of the Company for a total cash consideration of RM2.00.

13. CONTINGENT LIABILITIES

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE

QUARTERLY AND YEAR-TO-DATE ANALYSIS:

	Individual Quarter			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	31-MAR-18	31-MAR-17	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	187,367	156,993	30,374	19
Profit from operations	15,196	16,033	(837)	(5)
Loss before interest and tax	(22,595)	(13,760)	(8,835)	64
Loss before tax	(33,014)	(25,164)	(7,850)	31
Loss after tax	(34,297)	(26,136)	(8,161)	31
Loss attributable to owners of the Company	(33,690)	(26,759)	(6,931)	26

The Group reported revenue of RM187.4 million and loss before tax ("LBT") of RM33.0 million in current quarter as compared to revenue of RM157.0 million and LBT of RM25.2 million in the corresponding quarter of 2017. Higher revenue in current quarter was attributable to revenue arising from concession arrangement in relation to the development of 49MW solar photovoltaic energy plant at Sungai Siput, Perak. Higher LBT reported in current quarter was mainly due to share of losses from associated company, RKM Powergen Pvt Ltd.

The performance of the respective business segments is as follow:

Construction segment: This segment reported revenue and profit before tax ("PBT") of RM116.2 million and RM2.8 million respectively in current quarter as compared to revenue of RM128.1 million and PBT of RM2.4 million in the previous year corresponding quarter. Lower revenue was mainly due to slower progress of LRT3 project than projected schedule whilst improvement in PBT in current quarter was attributable to cost savings from Pengerang projects.

Property segment: This segment reported revenue and PBT of RM2.7 million and RM0.8 million respectively in current quarter as compared to revenue of RM7.3 million and PBT of RM2.4 million in the previous year corresponding quarter. Lower revenue and PBT in current quarter was mainly due to lower sales of properties in Batu Kawah New Township, Kuching.

Power segment: This segment reported revenue and LBT of RM60.9 million and RM30.6 million respectively in current quarter as compared to revenue of RM2.8 million and LBT of RM25.9 million in the previous year corresponding quarter. Higher revenue in current quarter was attributable to revenue arising from concession arrangement in relation to the development of 49MW solar photovoltaic energy plant at Sungai Siput, Perak which commenced works in 4Q 2017. Higher LBT reported in current quarter was mainly due to share of losses from associated company, RKM Powergen Pvt Ltd.

Other segment: This segment comprises primarily manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM7.6 million and RM6.0 million respectively in current quarter as compared to revenue of RM18.8 million and LBT of RM4.0 million in the previous year corresponding quarter. Lower revenue in current quarter was mainly due to lower sales of construction materials in manufacturing and trading divisions. Consequently, this has resulted in higher LBT in current quarter.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

NOTES TO QUARTERLY REPORT

15. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 31-MAR-18	Immediate Preceding Quarter 31-DEC-17	Changes	
	RM'000	RM'000	RM'000	%
Revenue	187,367	148,265	39,102	26
Profit from operations	15,196	13,549	1,647	12
Loss before interest and tax	(22,595)	(5,428)	(17,167)	316
Loss before tax	(33,014)	(16,314)	(16,700)	102
Loss after tax	(34,297)	(8,346)	(25,951)	311
Loss attributable to owners of the Company	(33,690)	(11,279)	(22,411)	199

The Group reported revenue of RM187.4 million and loss before tax ("LBT") of RM33.0 million in current quarter as compared to revenue of RM148.3 million and LBT of RM16.3 million in the preceding quarter. Improvement in revenue was attributable to revenue arising from concession arrangement in relation to the development of 49MW solar photovoltaic energy plant at Sungai Siput, Perak. Higher LBT reported in current quarter was mainly due to share of losses from associated company, RKM Powergen Pvt Ltd and weaker performance of manufacturing and property segments.

16. PROSPECTS

Post 14th General Election, the newly formed government plans to review all mega projects that are currently at planning stage and to adopt an open tender exercise in promoting transparency in future contract awards. The management is confident that the Group is capable of winning new contracts given its vast experience and competitiveness in the construction segment. In addition, the Group's total order book of RM2.4 billion as at the reporting date is expected to sustain its operations over the next 2 to 3 years.

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 engage RKM to ensure that all 4 units of the IPP development is ready to achieve commercial operations. As at to-date, RKM is supplying up to 350 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. With the imminent completion of the project, the Group entered into a conditional Share Sale and Purchase Agreement on 28 February 2018 for the proposed disposal of 7.07% equity interest in RKM. Upon completion of the Disposal, the Group's exposure in the investment will be reduced accordingly.

In terms of new investment, the Group will continue to pursue investments both locally and overseas to build up its concession asset base 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

	CURRENT QUARTER 31-MAR-18 RM'000	3 MONTHS 31-MAR-18 RM'000
Current income tax:		
- Malaysian income tax	(1,283)	(1,283)

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

19. STATUS OF CORPORATE PROPOSALS

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

NOTES TO QUARTERLY REPORT

20. GROUP BORROWINGS AND DEBT SECURITIES

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

As at 31 March 2018			
Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
<i>Revolving credits</i>	-	104,500	104,500
<i>Finance lease liabilities</i>	5,833	4,333	10,166
<i>Term loan denominated in USD (USD50 million)</i>	-	199,363	199,363
<i>Term loan denominated in RM</i>	30,665	179	30,844
<i>Green SRI Sukuk Wakalah</i>	170,000	-	170,000
	206,498	308,375	514,873
Unsecured			
<i>Revolving credits</i>	-	40,000	40,000
<i>Islamic Medium Term Notes("IMTN")</i>	120,000	-	120,000
<i>Euro Medium Term Notes ("EMTN") denominated in USD (USD60 million)</i>	231,960	-	231,960
	351,960	40,000	391,960
Total Group's borrowings	558,458	348,375	906,833

As at 31 March 2017			
Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
<i>Revolving credit</i>	-	123,000	123,000
<i>Bank overdrafts</i>	-	394	394
<i>Finance lease liabilities</i>	423	2,225	2,648
<i>Term loan denominated in USD (USD50 million)</i>	-	220,700	220,700
<i>Term loan denominated in RM</i>	34,863	5,247	40,110
	35,286	351,566	386,852
Unsecured			
<i>Revolving credit</i>	-	40,000	40,000
<i>Islamic Medium Term Notes("IMTN")</i>	120,000	-	120,000
<i>Euro Medium Term Notes ("EMTN") denominated in USD (USD60 million)</i>	266,654	-	266,654
	386,654	40,000	426,654
Total Group's borrowings	421,940	391,566	813,506

(ii) Total borrowings increased from RM813.5 million as at 31 March 2017 to RM906.8 million as at 31 March 2018 mainly due to issuance of RM245 million Green SRI SUKUK Wakalah under the Shariah Principle of Wakalah Bi Al-Istithmar on 30 January 2018 after offsetting the repayment of loans and borrowings.

(iii) Total repayment of borrowings during the period ended 31 March 2018 amounted to RM16.7 million with an estimated net interest savings of RM0.8 million per annum.

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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 31-Mar-18 RM'000
Neither past due nor impaired	63,626
1 to 30 days past due but not impaired	2,116
31 to 60 days past due but not impaired	1,844
61 to 90 days past due but not impaired	1,702
91 to 120 days past due but not impaired	1,375
More than 120 days are past due but not impaired	138,682
	145,719
Less: Advance payments received	(86,075)
	<u>123,270</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 120 days are past due but not impaired) is the amount due from an associate of RM 137.5 million.

22. CHANGES IN MATERIAL LITIGATION

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

23. DIVIDEND

There were no dividend declared during the period ended 31 March 2018.

24. 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 owners of the Company by the 'Weighted Average' number of ordinary shares in issue during the period respectively, excluding treasury shares held by the Company.

	CURRENT QUARTER ENDED 31-MAR-18	3 MONTHS ENDED 31-MAR-18
<u>Basic and Diluted loss per share:-</u>		
(a) Loss for the period attributable to owners of the Company (RM'000)	<u>(33,690)</u>	<u>(33,690)</u>
(b) Weighted average number of ordinary shares ('000)	591,805	591,805
Basic and diluted loss per share (sen)	<u>(5.69)</u>	<u>(5.69)</u>