

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2018

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-JUN-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUN-17 RM'000	CURRENT YEAR TO DATE 30-JUN-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-JUN-17 RM'000
Continuing Operations				
Revenue	301,378	149,008	488,745	306,001
Operating expenses	(287,196)	(134,345)	(459,367)	(275,306)
Profit from operations	<u>14,182</u>	<u>14,663</u>	<u>29,378</u>	<u>30,695</u>
Interest income	4,385	3,079	8,759	5,632
Other income	475	950	940	1,182
Foreign exchange (loss)/gain	(7,013)	4,793	(14,432)	7,355
Fair value gain/(loss) on derivative	9,158	(5,907)	13,481	(9,220)
Depreciation and amortization	(4,739)	(4,399)	(9,476)	(8,500)
Gain on disposal of property, plant and equipment	680	660	1,771	1,288
ESOS expenses	(297)	(447)	(594)	(894)
Interest expense	(11,258)	(11,159)	(21,677)	(22,563)
Share of results of associates	(84,136)	(25,634)	(120,485)	(54,299)
Reversal of unrealised profit adjustment	1,644	759	2,402	1,518
Loss before tax	<u>(76,919)</u>	<u>(22,642)</u>	<u>(109,933)</u>	<u>(47,806)</u>
Income tax expense	459	(910)	(824)	(1,882)
Loss after tax	<u>(76,460)</u>	<u>(23,552)</u>	<u>(110,757)</u>	<u>(49,688)</u>
Other comprehensive expenses:				
Foreign currency translation differences	(1,025)	(475)	(402)	(808)
Total comprehensive expense	<u>(77,485)</u>	<u>(24,027)</u>	<u>(111,159)</u>	<u>(50,496)</u>
Profit/(Loss) attributable to:				
Owners of the Company	(77,706)	(24,254)	(111,396)	(51,013)
Non-controlling interest	1,246	702	639	1,325
	<u>(76,460)</u>	<u>(23,552)</u>	<u>(110,757)</u>	<u>(49,688)</u>
Total comprehensive expense attributable to:				
Owners of the Company	(77,440)	(24,571)	(111,791)	(51,633)
Non-controlling interest	(45)	544	632	1,137
	<u>(77,485)</u>	<u>(24,027)</u>	<u>(111,159)</u>	<u>(50,496)</u>
Loss per share (sen) attributable to equity holders of the Company:				
Basic and diluted loss per share (sen)	<u>(13.13)</u>	<u>(4.49)</u>	<u>(18.82)</u>	<u>(9.45)</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 30 JUNE 2018
(The figures have not been audited)

	AS AT 30-JUN-18 RM'000	AS AT 31-DEC-17 RM'000
Assets		
Property, plant and equipment	46,091	48,018
Investment property	50,435	50,935
Intangible asset	10,224	10,533
Service concession assets	281,750	74,839
Investment in associates	308,971	427,729
Other investments	5,291	5,291
Deferred tax asset	7,933	7,633
Total non-current assets	710,695	624,978
Inventories	44,920	45,257
Property development costs	74,604	55,625
Trade and other receivables	375,190	312,662
Other current assets	268,037	334,023
Derivative financial assets	1,158	-
Tax recoverable	19,519	17,939
Cash and bank balances	470,274	456,853
Total current assets	1,253,702	1,222,359
Total assets	1,964,397	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	10,168	9,574
Foreign currency translation reserve	(14,168)	(13,773)
Retained earnings	194,743	306,139
Equity attributable to owners of the Company	552,744	664,785
Non-controlling interests	(15,233)	(15,865)
Total equity	537,511	648,920
Liabilities		
Loans and borrowings	456,630	401,662
Refundable deposits	2,177	2,219
Deferred tax liabilities	6,413	5,525
Deferred income	5,659	5,659
Total non-current liabilities	470,879	415,065
Trade and other payables	396,610	351,247
Amount due to contracts customers	80,522	68,818
Tax liabilities	-	72
Loans and borrowings	478,875	350,892
Derivative financial liabilities	-	12,323
Total current liabilities	956,007	783,352
Total liabilities	1,426,886	1,198,417
Total equity and liabilities	1,964,397	1,847,337
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.94	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 SECOND QUARTER ENDED 30 JUNE 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	-	-	-	-	-	(395)	-	(395)	(7)	(402)
(Loss)/Profit for the period	-	-	-	-	-	-	(111,396)	(111,396)	639	(110,757)
Total comprehensive income/(expense)	-	-	-	-	-	(395)	(111,396)	(111,791)	632	(111,159)
Contribution by and distributions to owners of the Company										
Share-based payment transaction	-	-	-	594	-	-	-	594	-	594
Repurchase of ordinary shares	-	-	-	-	(844)	-	-	(844)	-	(844)
Total transactions with owners of the Company	-	-	-	594	(844)	-	-	(250)	-	(250)
At 30 June 2018	393,172	-	4,900	10,168	(36,071)	(14,168)	194,743	552,744	(15,233)	537,511
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	-	-	-	-	-	(620)	-	(620)	(188)	(808)
(Loss)/Profit for the period	-	-	-	-	-	-	(51,013)	(51,013)	1,325	(49,688)
Total comprehensive income/(expense)	-	-	-	-	-	(620)	(51,013)	(51,633)	1,137	(50,496)
Audit adjustments	-	-	-	-	-	(191)	(64)	(255)	(231)	(486)
Contribution by and distributions to owners of the Company										
Share-based payment transaction	-	-	-	894	-	-	-	894	-	894
Total transactions with owners of the Company	-	-	-	894	-	-	-	894	-	894
Transfer in accordance with Section 618(2) of the Companies Act 2016	221,739	(221,739)	-	-	-	-	-	-	-	-
At 30 June 2017	332,222	-	4,900	9,429	(34,688)	(14,766)	379,214	676,311	(17,275)	659,036

^ 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 2018**

(The figures have not been audited)

	6 MONTHS ENDED	
	30-JUN-18	30-JUN-17
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(109,933)	(47,806)
Adjustments for:		
Amortisation of intangible asset	310	310
Amortisation of service concession assets	1,916	-
Depreciation of investment property	500	492
Depreciation of property, plant and equipment	6,750	7,698
ESOS expenses	594	894
Gain on disposal of property, plant and equipment	(1,771)	(1,288)
Fair value (gain)/loss on derivative	(13,481)	9,220
Interest income	(8,759)	(5,632)
Interest expense	21,677	22,563
Share of results of equity accounted associates	120,485	54,299
Reversal of unrealised profit adjustment	(2,402)	(1,518)
Property, plant and equipment written off	281	-
Unrealised loss/(gain) on foreign exchange	13,750	(7,700)
Operating profit before working capital changes	29,917	31,532
Changes in working capital:		
Inventories	337	3,060
Property development costs	(18,979)	(9,852)
Trade and other receivables	2,960	65,504
Trade and other payables	56,464	(64,504)
Cash generated from operations	70,699	25,740
Tax paid	(2,515)	(2,727)
Tax refunded	403	99
Net cash generated from operating activities	68,587	23,112
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of an associate	-	(10,331)
Addition in service concession assets	(208,827)	-
Interest received	8,759	5,632
Purchase of property, plant and equipment	(3,232)	(3,689)
Proceeds from disposal of property, plant and equipment	1,916	1,410
Change in pledged deposits	7,776	(215,182)
Net cash generated used in investing activities	(193,608)	(222,160)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2018 (CONT'D)**

(The figures have not been audited)

	6 MONTHS ENDED	
	30-JUN-18	30-JUN-17
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(21,677)	(22,563)
Net drawdown/(repayment) of loans and borrowings	170,053	(27,140)
Repayment of finance lease liabilities	(889)	(414)
(Advance to)/Repayment from associates	(425)	368
Share buyback	(844)	-
Net cash generated from/(used in) financing activities	146,218	(49,749)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	21,197	(248,797)
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 PERIOD	247,416	69,455
Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise:		
Cash and bank balances	100,305	39,104
Deposits placed with financial institutions	369,969	255,401
	470,274	294,505
Less:		
Pledged deposits	(222,858)	(225,050)
	247,416	69,455

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 SECOND QUARTER ENDED 30 JUNE 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 ending in March, has its last financial statements audited up to 31 March 2018. In accounting for the Group’s share of results in RKM for the period ended 30 June 2018, the Group relied on RKM’s unaudited management accounts for the period ended 30 June 2018 which included the depreciation charges of Units I, II & III of the Independent Power Plant (“IPP”) that had achieved Commercial Operation Date (“COD”) and the related interest costs from borrowings taken to build Units I, II & III, which could no longer be capitalized after COD. RKM has commenced its power sales for Unit I in April 2017, whilst Unit II & III have 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 30 June 2018, the Group have made a transition to the MFRS Framework on 1 January 2018.

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 30 June 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 SECOND QUARTER ENDED 30 JUNE 2018

NOTES TO QUARTERLY REPORT

2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report for the financial 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

There were no purchase of share in the market during the current quarter ended 30 June 2018. As at 30 June 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 30 June 2018. As at 30 June 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 SECOND QUARTER ENDED 30 JUNE 2018

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
<u>Q2 2018</u>						
REVENUE :						
External customers	102,055	3,161	184,521	11,641	-	301,378
Inter-segment	168,378	16,846	-	1,838	(187,062)	-
Total revenue	270,433	20,007	184,521	13,479	(187,062)	301,378
RESULTS :						
Included in the measure of segment profit/(loss) are:						
Profit/(Loss) before tax	541	(69)	(70,269)	(7,122)	-	(76,919)
Interest income	740	19	2,590	1,036	-	4,385
Interest expenses	(6,536)	(44)	(500)	(4,178)	-	(11,258)
Depreciation and amortisation	(2,631)	(345)	(1,113)	(650)	-	(4,739)
Share of loss of associates	58	-	(84,194)	-	-	(84,136)
ESOS expenses	(297)	-	-	-	-	(297)
Income tax expenses	-	(340)	205	594	-	459
Profit/(Loss) after tax	541	(409)	(70,064)	(6,528)	-	(76,460)
<u>Q2 2017</u>						
REVENUE :						
External customers	122,466	4,968	3,109	18,465	-	149,008
Inter-segment	-	309	-	1,021	(1,330)	-
Total revenue	122,466	5,277	3,109	19,486	(1,330)	149,008
RESULTS :						
Included in the measure of segment profit/(loss) are:						
Profit/(Loss) before tax	974	1,366	(24,857)	(125)	-	(22,642)
Interest income	1,226	16	886	951	-	3,079
Interest expenses	(6,198)	-	(562)	(4,399)	-	(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	974	852	(24,857)	(521)	-	(23,552)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

NOTES TO QUARTERLY REPORT

8 SEGMENTAL INFORMATION (CONT'D)

YEAR-TO-DATE RESULTS:

6 MONTHS ENDED 30-JUNE-18

	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	218,218	5,900	245,423	19,204	-	488,745
Inter-segment	218,485	17,213	-	7,406	(243,104)	-
Total revenue	436,703	23,113	245,423	26,610	(243,104)	488,745
RESULTS :						
Included in the measure of segment profit/(loss) are:						
Profit/(Loss) before tax	3,320	685	(100,831)	(13,107)	-	(109,933)
Interest income	1,732	40	5,007	1,980	-	8,759
Interest expenses	(12,260)	(87)	(999)	(8,331)	-	(21,677)
Depreciation and amortisation	(5,422)	(694)	(2,226)	(1,134)	-	(9,476)
Share of loss of associates	94	-	(120,579)	-	-	(120,485)
ESOS expenses	(594)	-	-	-	-	(594)
Income tax expenses	266	(1,177)	(8)	95	-	(824)
Profit/(Loss) after tax	3,586	(492)	(100,839)	(13,012)	-	(110,757)
Assets :						
Investment in associates	4,009	-	304,962	-	-	308,971
Additions to non-current assets [^]	3,560	7	239,645	1,686	-	244,898
Segment assets	1,523,468	222,853	466,292	701,141	(949,357)	1,964,397
Segment liabilities :	946,383	95,615	439,454	294,533	(349,099)	1,426,886

6 MONTHS ENDED 30-JUNE-17

REVENUE :						
External customers	250,537	12,283	5,881	37,300	-	306,001
Inter-segment	-	597	-	6,515	(7,112)	-
Total revenue	250,537	12,880	5,881	43,815	(7,112)	306,001
RESULTS :						
Included in the measure of segment profit/(loss) are:						
Profit/(Loss) before tax	3,372	3,733	(50,795)	(4,116)	-	(47,806)
Interest income	1,871	22	1,786	1,953	-	5,632
Interest expenses	(12,341)	-	(1,140)	(9,082)	-	(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	3,372	2,575	(50,795)	(4,840)	-	(49,688)
Assets :						
Investment in associates	3,875	9,905	505,580	-	-	519,360
Additions to non-current assets [^]	30,257	63,663	67,579	3,443	(2,067)	162,875
Segment assets	1,765,201	180,318	135,153	636,051	(815,392)	1,901,331
Segment liabilities :	902	36,717	118,338	266,522	819,816	1,242,295

[^] 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 SECOND QUARTER ENDED 30 JUNE 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:

	6 MONTHS ENDED 30-JUN-18 RM'000	6 MONTHS ENDED 30-JUN-17 RM'000
Associates		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	1,258	1,250
Secondment fee	175	-
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	1,264	-
Secondment fee	78	119
Corporate guarantee fee	175	175
Other related party		
A company related to directors		
<i>Mulpha Group Services Sdn Bhd</i>		
Rental income	470	470
Rental expense	(372)	(281)

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. to MJC Development Sdn. Bhd. ("MJC Development"), a wholly-owned subsidiary 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 SECOND QUARTER ENDED 30 JUNE 2018

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE

QUARTERLY ANALYSIS:

	Individual Quarter			
	Current Year Quarter 30-JUN-18	Preceding Year Corresponding Quarter 30-JUN-17	Changes	
	RM'000	RM'000	RM'000	%
Revenue	301,378	149,008	152,370	102
Profit from operations	14,182	14,663	(481)	(3)
Loss before interest and tax	(65,661)	(11,483)	(54,178)	472
Loss before tax	(76,919)	(22,642)	(54,277)	240
Loss after tax	(76,460)	(23,552)	(52,908)	225
Loss attributable to owners of the Company	(77,706)	(24,254)	(53,452)	220

The Group reported revenue of RM301.4 million and loss before tax ("LBT") of RM76.9 million in the current quarter as compared to revenue of RM149.0 million and loss before tax of RM22.6 million in the corresponding quarter of 2017. Higher revenue reported in the current quarter was attributable to the development of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak which commenced works in 4Q 2017. Higher LBT in the current quarter was mainly due to the Group's 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 RM102.0 million and RM0.5 million respectively in the current quarter as compared to revenue of RM122.5 million and PBT of RM1.0 million in the preceding year's corresponding quarter. Lower revenue and PBT were mainly due to slower progress of the LRT3 project than the projected schedule.

Property segment: This segment reported revenue and loss before tax ("LBT") of RM3.2 million and RM0.1 million respectively in the current quarter as compared to revenue of RM5.0 million and PBT of RM1.4 million in the preceding year's corresponding quarter. Lower revenue and LBT in the 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 RM184.5 million and RM70.3 million respectively in the current quarter as compared to revenue of RM3.1 million and LBT of RM24.9 million in the preceding year's corresponding quarter. Higher revenue in the current quarter was attributable to revenue from the development of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak which commenced works in 4Q 2017, as mentioned above. Higher LBT in the current quarter was mainly due to the Group's share of losses from associated company, RKM Powergen Pvt Ltd as COD for Unit III was achieved without yet securing power sales, whereby the depreciation charges and related interest costs for the unit could no longer be capitalised after COD.

Other segment: This segment comprises primarily manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM11.6 million and RM7.1 million respectively in the current quarter as compared to revenue of RM18.5 million and LBT of RM0.1 million in the preceding year's corresponding quarter. Lower revenue and higher LBT in the current quarter was mainly due to lower sales of precast concrete products in manufacturing division as a result of delays in some infrastructure projects.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE (CONT'D)

YEAR-TO-DATE ANALYSIS:

	Cumulative Period			
	Current Year To-date ended 30-JUN-18	Preceding Year Corresponding Period 30-JUN-17	Changes	
	RM'000	RM'000	RM'000	%
Revenue	488,745	306,001	182,744	60
Profit from operations	29,378	30,695	(1,317)	(4)
Loss before interest and tax	(88,256)	(25,243)	(63,013)	250
Loss before tax	(109,933)	(47,806)	(62,127)	130
Loss after tax	(110,757)	(49,688)	(61,069)	123
Loss attributable to owners of the Company	(111,396)	(51,013)	(60,383)	118

The Group reported revenue of RM488.8 million and LBT of RM109.9 million for the half year ended 30 June 2018 as compared to revenue of RM306.0 million and LBT of RM47.8 million for the preceding year's half year ended 30 June 2017. Higher revenue in the current period was mainly attributable to revenue relating to the development of the 49MW solar plant in Perak as mentioned in the previous commentary. Higher LBT in the current period was mainly due to the Group's share of losses from associated company, RKM Powergen Pvt Ltd.

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

Construction segment : This segment reported revenue and PBT of RM218.2 million and RM3.3 million respectively for the half year ended 30 June 2018 as compared to revenue of RM250.5 million and PBT of RM3.4 million for the preceding corresponding period ended 30 June 2017. Lower revenue and PBT were mainly due to slower progress of the LRT3 project as compared to the initial projected schedule, as well as the near completion of certain Pengerang projects.

Property segment : This segment reported revenue and PBT of RM5.9 million and RM0.7 million respectively for the period ended 30 June 2018 as compared to revenue of RM12.3 million and PBT of RM3.7 million for the preceding corresponding period ended 30 June 2017. Lower revenue and PBT in the current period were mainly due to lower sales of properties in Batu Kawah New Township, Kuching.

Power segment : The segment reported revenue and LBT of RM245.4 million and RM100.8 million respectively for the half year ended 30 June 2018 as compared to revenue of RM5.9 million and LBT of RM50.8 million for the prior half year ended 30 June 2017. Higher revenue in the current period was attributable to revenue relating to the development of the 49MW solar plant in Sungai Siput, Perak as mentioned above. Higher LBT in the current period was mainly due to the Group's share of losses from associated company, RKM Powergen Pvt Ltd as COD for Unit III was achieved without yet securing power sales, whereby the depreciation charges and related interest costs for the unit could no longer be capitalised after COD.

Others segment : This segment comprises primarily the manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM19.2 million and RM13.1 million respectively for the period ended 30 June 2018 as compared to revenue of RM37.3 million and LBT of RM4.1 million for the preceding corresponding period. Lower revenue and higher LBT in the current period were mainly due to lower sales of precast concrete products in the manufacturing division as a result of delay in some infrastructure projects.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

NOTES TO QUARTERLY REPORT

15. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 30-JUN-18	Immediate Preceding Quarter 31-MAR-18	Changes	
	RM'000	RM'000	RM'000	%
Revenue	301,378	187,367	114,011	61
Profit from operations	14,182	15,196	(1,014)	(7)
Loss before interest and tax	(65,661)	(22,595)	(43,066)	191
Loss before tax	(76,919)	(33,014)	(43,905)	133
Loss after tax	(76,460)	(34,297)	(42,163)	123
Loss attributable to owners of the Company	(77,706)	(33,690)	(44,016)	131

The Group reported revenue of RM301.4 million and LBT of RM76.9 million in the current quarter as compared to revenue of RM187.4 million and LBT of RM33.0 million in the immediate preceding quarter. Improvement in revenue was attributable to the continued development of the 49MW solar in Perak which commenced works in 4Q 2017. Higher LBT in the current quarter was mainly due to the Group's share of losses from associated company, RKM Powergen Pvt Ltd as COD for Unit III was achieved without securing power sales, whereby the depreciation charges and related interest costs for the unit could no longer be capitalised after COD.

16. PROSPECTS

The federal government continues to review all mega projects that are currently at the early stage and to adopt an open tender method to promote transparency for 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 RM1.9 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 are ready for commercial operations. Currently, 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 has also entered into a conditional Share Sale and Purchase Agreement on 28 February 2018 for the proposed disposal of 7.07% equity interest in RKM which is expected to reduce the Group's exposure in the Indian IPP investment.

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 potential volatility 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 30-JUN-18 ENDED RM'000	6 MONTHS 30-JUN-18 ENDED RM'000
Current income tax:		
- Malaysian income tax	459	(824)

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 SECOND QUARTER ENDED 30 JUNE 2018

NOTES TO QUARTERLY REPORT

20. GROUP BORROWINGS AND DEBT SECURITIES

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

As at 30 June 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>	5,505	4,509	10,014
<i>Term loan denominated in USD (USD50 million)</i>	-	201,683	201,683
<i>Term loan denominated in RM</i>	29,106	6,259	35,365
<i>Green SRI Sukuk Wakalah</i>	180,000	-	180,000
	<u>214,611</u>	<u>316,951</u>	<u>531,562</u>
Unsecured			
<i>Invoice financing</i>	-	1,924	1,924
<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>	242,019	-	242,019
	<u>242,019</u>	<u>161,924</u>	<u>403,943</u>
Total Group's borrowings	<u>456,630</u>	<u>478,875</u>	<u>935,505</u>
As at 30 June 2017			
Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
<i>Revolving credit</i>	-	98,000	98,000
<i>Finance lease liabilities</i>	317	5,107	5,424
<i>Term loan denominated in USD (USD50 million)</i>	-	214,803	214,803
<i>Term loan denominated in RM</i>	33,347	4,547	37,894
	<u>33,664</u>	<u>322,457</u>	<u>356,121</u>
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>	257,763	-	257,763
	<u>377,763</u>	<u>40,000</u>	<u>417,763</u>
Total Group's borrowings	<u>411,427</u>	<u>362,457</u>	<u>773,884</u>

(ii) Total borrowings increased from RM773.9 million as at 30 June 2017 to RM935.5 million as at 30 June 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 30 June 2018 amounted to RM18.4 million with an estimated net interest savings of RM1.0 million per annum.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 30-JUN-18 RM'000
Neither past due nor impaired	86,360
1 to 30 days past due but not impaired	2,365
31 to 60 days past due but not impaired	3,387
61 to 90 days past due but not impaired	5,009
91 to 120 days past due but not impaired	85
More than 120 days are past due but not impaired	144,672
	155,518
Trade receivables that are impaired	5,716
	<u>247,594</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 RM137.5 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 30 June 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 30-JUN-18	6 MONTHS ENDED 30-JUN-18
<u>Basic and Diluted loss per share:-</u>		
(a) Loss for the period attributable to owners of the Company (RM'000)	<u>(77,706)</u>	<u>(111,396)</u>
(b) Weighted average number of ordinary shares ('000)	591,805	591,805
Basic and diluted loss per share (sen)	<u>(13.13)</u>	<u>(18.82)</u>