

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	QUARTER	TO DATE	CORRESPONDING PERIOD
	30-SEP-18	30-SEP-17	30-SEP-18	30-SEP-17
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	148,181	93,350	636,926	399,351
Operating expenses	(136,912)	(61,978)	(596,279)	(337,284)
Profit from operations	<u>11,269</u>	<u>31,372</u>	<u>40,647</u>	<u>62,067</u>
Interest income	3,929	3,201	12,688	8,833
Other income	599	1,370	1,539	2,552
Foreign exchange (loss)/gain	(5,050)	(3,663)	(4,282)	3,692
Fair value gain/(loss) on derivative	5,511	4,726	3,792	(4,494)
Depreciation and amortization	(4,095)	(4,654)	(13,571)	(13,154)
Gain on disposal of property, plant and equipment	358	-	2,129	1,288
Impairment loss on financial asset	-	(17,300)	-	(17,300)
ESOS expenses	(298)	(448)	(892)	(1,342)
Interest expense	(10,915)	(11,219)	(32,592)	(33,782)
Share of results of associates	(45,282)	(60,638)	(165,767)	(114,937)
Reversal of unrealised profit adjustment	1,133	759	3,535	2,277
Loss before tax	<u>(42,841)</u>	<u>(56,494)</u>	<u>(152,774)</u>	<u>(104,300)</u>
Income tax expense	(5,946)	(3,301)	(6,770)	(5,183)
Loss after tax	<u>(48,787)</u>	<u>(59,795)</u>	<u>(159,544)</u>	<u>(109,483)</u>
Other comprehensive expenses:				
Foreign currency translation differences	<u>(1,029)</u>	<u>(571)</u>	<u>(1,431)</u>	<u>(1,379)</u>
Total comprehensive expense	<u>(49,816)</u>	<u>(60,366)</u>	<u>(160,975)</u>	<u>(110,862)</u>
(Loss)/Profit attributable to:				
Owners of the Company	(49,595)	(59,079)	(160,991)	(110,092)
Non-controlling interest	<u>808</u>	<u>(716)</u>	<u>1,447</u>	<u>609</u>
	<u>(48,787)</u>	<u>(59,795)</u>	<u>(159,544)</u>	<u>(109,483)</u>
Total comprehensive expense attributable to:				
Owners of the Company	(50,624)	(59,376)	(162,415)	(111,197)
Non-controlling interest	<u>808</u>	<u>(990)</u>	<u>1,440</u>	<u>335</u>
	<u>(49,816)</u>	<u>(60,366)</u>	<u>(160,975)</u>	<u>(110,862)</u>
Loss per share (sen) attributable to equity holders of the Company:				
Basic and diluted loss per share (sen)	<u>(8.38)</u>	<u>(10.82)</u>	<u>(27.21)</u>	<u>(20.17)</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 591,598,000 and 545,909,000 respectively.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018
(The figures have not been audited)

	AS AT 30-SEP-18 RM'000	AS AT 31-DEC-17 RM'000
Assets		
Property, plant and equipment	44,518	48,018
Investment property	50,185	50,935
Intangible asset	10,069	10,533
Service concession assets	306,508	74,839
Investment in associates	264,480	427,729
Other investments	5,326	5,291
Deferred tax asset	7,333	7,633
Total non-current assets	688,419	624,978
Inventories	43,130	45,257
Property development costs	83,541	55,625
Trade and other receivables	349,155	312,662
Other current assets	272,504	334,023
Derivative financial assets	6,669	-
Tax recoverable	18,362	17,939
Cash and bank balances	418,194	456,853
Total current assets	1,191,555	1,222,359
Total assets	1,879,974	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	10,466	9,574
Foreign currency translation reserve	(15,197)	(13,773)
Retained earnings	145,148	306,139
Equity attributable to owners of the Company	502,418	664,785
Non-controlling interests	(14,425)	(15,865)
Total equity	487,993	648,920
Liabilities		
Loans and borrowings	470,700	401,662
Refundable deposits	2,130	2,219
Deferred tax liabilities	5,813	5,525
Deferred income	5,659	5,659
Total non-current liabilities	484,302	415,065
Trade and other payables	379,614	351,247
Amount due to contracts customers	61,638	68,818
Tax liabilities	3,249	72
Loans and borrowings	463,178	350,892
Derivative financial liabilities	-	12,323
Total current liabilities	907,679	783,352
Total liabilities	1,391,981	1,198,417
Total equity and liabilities	1,879,974	1,847,337
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.85	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 THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	-	-	(1,424)	-	(1,424)	(7)	(1,431)
(Loss)/Profit for the period	-	-	-	-	-	-	(160,991)	(160,991)	1,447	(159,544)
Total comprehensive income/(expense)	-	-	-	-	-	(1,424)	(160,991)	(162,415)	1,440	(160,975)
Contribution by and distributions to owners of the Company										
Share-based payment transaction	-	-	-	892	-	-	-	892	-	892
Repurchase of ordinary shares	-	-	-	-	(844)	-	-	(844)	-	(844)
Total transactions with owners of the Company	-	-	-	892	(844)	-	-	48	-	48
At 30 September 2018	393,172	-	4,900	10,466	(36,071)	(15,197)	145,148	502,418	(14,425)	487,993
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	-	-	-	-	-	(1,105)	-	(1,105)	(274)	(1,379)
(Loss)/Profit for the period	-	-	-	-	-	-	(110,092)	(110,092)	609	(109,483)
Total comprehensive income/(expense)	-	-	-	-	-	(1,105)	(110,092)	(111,197)	335	(110,862)
Contribution by and distributions to owners of the Company										
Changes in equity interest in a subsidiary	-	-	-	-	-	-	-	-	(229)	(229)
Investment in subsidiaries written off	-	-	-	-	-	-	-	-	(92)	(92)
Shared-based payment transactions	-	-	-	1,342	-	-	-	1,342	-	1,342
Proceeds from private placement	60,950	-	-	-	-	-	-	60,950	-	60,950
Total transactions with owners of the Company	60,950	-	-	1,342	-	-	-	62,292	(321)	61,971
Transfer in accordance with Section 618(2) of the Companies Act 2016	221,739	(221,739)	-	-	-	-	-	-	-	-
At 30 September 2017	393,172	-	4,900	9,877	(34,688)	(15,060)	320,199	678,400	(18,167)	660,233

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

	9 MONTHS ENDED	
	30-SEP-18	30-SEP-17
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(152,774)	(104,300)
Adjustments for:		
Amortisation of intangible asset	464	465
Amortisation of service concession assets	2,873	-
Depreciation of investment property	750	742
Depreciation of property, plant and equipment	9,484	11,947
ESOS expenses	892	1,342
Gain on disposal of property, plant and equipment	(2,129)	(1,288)
Fair value (gain)/loss on derivative	(3,792)	4,494
Impairment loss of financial asset	-	17,300
Interest income	(12,688)	(8,833)
Interest expense	32,592	33,782
Investment in subsidiaries written off	-	(92)
Share of results of equity accounted associates	165,767	114,937
Property, plant and equipment written off	286	-
Reversal of unrealised profit adjustment	(3,535)	(2,277)
Unrealised loss/(gain) on foreign exchange	3,224	(2,089)
Operating profit before working capital changes	41,414	66,130
Changes in working capital:		
Inventories	2,127	2,831
Property development costs	(27,916)	(12,384)
Trade and other receivables	30,473	136,987
Trade and other payables	22,892	(112,329)
Cash generated from operations	68,990	81,235
Tax paid	(4,760)	(3,684)
Tax refunded	403	99
Net cash generated from operating activities	64,633	77,650
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional expenditure in investment property	-	(682)
Addition in other investment	(35)	-
Addition in service concession assets	(234,542)	-
Interest received	12,688	8,833
Net investment in associates	-	(10,306)
Purchase of additional shares in subsidiary	-	(229)
Purchase of property, plant and equipment	(2,685)	(9,539)
Proceeds from disposal of property, plant and equipment	2,231	1,410
Change in pledged deposits	(2,684)	(212,456)
Net cash generated used in investing activities	(225,027)	(222,969)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (CONT'D)

(The figures have not been audited)

	9 MONTHS ENDED	
	30-SEP-18	30-SEP-17
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment to)/Advance from a related party	(1,682)	313
Interest paid	(32,592)	(33,782)
Proceeds from loans and borrowings	195,246	223,700
Proceeds from private placement	-	60,950
Repayment of loans and borrowings	(37,825)	(261,106)
Repayment of finance lease liabilities	(3,252)	(777)
Share buyback	(844)	-
Net cash generated from/(used in) financing activities	119,051	(10,702)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(41,343)	(156,021)
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	184,876	162,231
Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise:		
Cash and bank balances	25,444	137,904
Deposits placed with financial institutions	392,750	246,651
	418,194	384,555
Less:		
Pledged deposits	(233,318)	(222,324)
	184,876	162,231

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2018, the Group relied on RKM's unaudited management accounts for the period ended 30 September 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 corresponding 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 September 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 September 2018. No 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 period 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2018. As at 30 September 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 September 2018. As at 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 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
Q3 2018						
REVENUE :						
External customers	93,478	7,859	30,979	15,865	-	148,181
Inter-segment	23,908	367	-	4,946	(29,221)	-
Total revenue	117,386	8,226	30,979	20,811	(29,221)	148,181
RESULTS :						
Included in the measure of segment profit/(loss) are:						
Profit/(Loss) before tax	636	2,419	(41,358)	(4,538)	-	(42,841)
Interest income	1,075	7	1,501	1,346	-	3,929
Interest expenses	(6,049)	(60)	(483)	(4,323)	-	(10,915)
Depreciation and amortisation	(2,087)	(338)	(1,116)	(554)	-	(4,095)
Share of loss of associates	156	-	(45,438)	-	-	(45,282)
ESOS expenses	(298)	-	-	-	-	(298)
Income tax expenses	(5,300)	(387)	-	(259)	-	(5,946)
(Loss)/Profit after tax	(4,664)	2,031	(41,357)	(4,797)	-	(48,787)
Q3 2017						
REVENUE :						
External customers	71,035	2,509	3,032	16,774	-	93,350
Inter-segment	-	298	-	3,782	(4,080)	-
Total revenue	71,035	2,807	3,032	20,556	(4,080)	93,350
RESULTS :						
Included in the measure of segment profit/(loss) are:						
Profit/(Loss) before tax	5,257	822	(58,851)	(3,722)	-	(56,494)
Interest income	1,390	11	879	921	-	3,201
Interest expenses	(6,032)	-	(552)	(4,635)	-	(11,219)
Depreciation and amortisation	(2,804)	(351)	(1,107)	(392)	-	(4,654)
Share of loss of associates	22	420	(61,080)	-	-	(60,638)
ESOS expenses	(448)	-	-	-	-	(448)
Income tax expenses	-	(207)	(2,728)	(366)	-	(3,301)
Profit/(Loss) after tax	5,257	615	(61,579)	(4,088)	-	(59,795)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

NOTES TO QUARTERLY REPORT

8 SEGMENTAL INFORMATION (CONT'D)

YEAR-TO-DATE RESULTS:

9 MONTHS ENDED 30-SEP-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	311,696	13,759	276,402	35,069	-	636,926
Inter-segment	242,393	17,580	-	12,352	(272,325)	-
Total revenue	554,089	31,339	276,402	47,421	(272,325)	636,926

RESULTS :

**Included in the measure of segment
profit/(loss) are:**

Profit/(Loss) before tax	3,956	3,104	(142,189)	(17,645)	-	(152,774)
Interest income	2,807	47	6,508	3,326	-	12,688
Interest expenses	(18,309)	(147)	(1,482)	(12,654)	-	(32,592)
Depreciation and amortisation	(7,509)	(1,032)	(3,342)	(1,688)	-	(13,571)
Share of loss of associates	250	-	(166,017)	-	-	(165,767)
ESOS expenses	(892)	-	-	-	-	(892)
Income tax expenses	(5,034)	(1,565)	(7)	(164)	-	(6,770)
(Loss)/Profit after tax	(1,078)	1,539	(142,196)	(17,809)	-	(159,544)

Assets :

Investment in associates	4,166	-	260,314	-	-	264,480
Additions to non-current assets [^]	3,570	13	234,392	2,544	-	240,519
Segment assets	1,405,053	240,013	468,377	695,116	(928,585)	1,879,974

Segment liabilities :

828,600	110,315	440,388	289,427	(276,749)	1,391,981
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9 MONTHS ENDED 30-SEP-17

REVENUE :

External customers	321,572	14,792	8,913	54,074	-	399,351
Inter-segment	-	895	-	10,297	(11,192)	-
Total revenue	321,572	15,687	8,913	64,371	(11,192)	399,351

RESULTS :

**Included in the measure of segment
profit/(loss) are:**

Profit/(Loss) before tax	8,146	4,555	(108,910)	(8,091)	-	(104,300)
Interest income	3,261	33	2,665	2,874	-	8,833
Interest expenses	(18,373)	-	(1,692)	(13,717)	-	(33,782)
Depreciation and amortisation	(7,883)	(1,047)	(3,321)	(903)	-	(13,154)
Share of loss of associates	(118)	(56)	(114,763)	-	-	(114,937)
ESOS expenses	(1,342)	-	-	-	-	(1,342)
Income tax expenses	-	(1,365)	(2,728)	(1,090)	-	(5,183)
Profit/(Loss) after tax	8,146	3,190	(111,638)	(9,181)	-	(109,483)

Assets :

Investment in associates	3,897	9,300	446,259	-	-	459,456
Additions to non-current assets [^]	28,448	64,003	70,075	5,695	(2,066)	166,155
Segment assets	1,299,510	184,638	591,700	700,308	(928,505)	1,847,651

Segment liabilities :

862,965	40,215	152,129	273,041	(140,932)	1,187,418
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[^] 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 THIRD QUARTER ENDED 30 SEPTEMBER 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:

	9 MONTHS ENDED 30-SEP-18 RM'000	9 MONTHS ENDED 30-SEP-17 RM'000
Associates		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	1,918	1,867
Secondment fee	253	-
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	1,896	2,318
Secondment fee	109	178
Corporate guarantee fee	174	264
Other related party		
A company related to directors		
<i>Mulpha Group Services Sdn Bhd</i>		
Rental income	705	570
Rental expense	(551)	(422)

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 THIRD QUARTER ENDED 30 SEPTEMBER 2018

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE

QUARTERLY ANALYSIS:

	Individual Quarter			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	30-SEP-18	30-SEP-17	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	148,181	93,350	54,831	59
Profit from operations	11,269	31,372	(20,103)	(64)
Loss before interest and tax	(31,926)	(45,275)	13,349	(29)
Loss before tax	(42,841)	(56,494)	13,653	(24)
Loss after tax	(48,787)	(59,795)	11,008	(18)
Loss attributable to owners of the Company	(49,595)	(59,079)	9,484	(16)

The Group reported revenue of RM148.1 million and loss before tax ("LBT") of RM42.8 million in current quarter as compared to revenue of RM93.4 million and loss before tax of RM56.5 million in the corresponding quarter of 2017. Higher revenue and lower LBT reported in current quarter was mainly attributable to the development of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak which commenced works in 4Q 2017, coupled with work progress in MRT2 and LRT3 projects.

The performance of the respective business segments is as follow:

Construction segment: This segment reported revenue and profit before tax ("PBT") of RM93.5 million and RM0.6 million respectively in current quarter as compared to revenue of RM71.0 million and PBT of RM5.2 million in the preceding year corresponding quarter. Higher revenue in current quarter was contributed by construction work in MRT2 and LRT3 projects whilst lower PBT was due to low margin from on-going projects.

Property segment: This segment reported revenue and PBT of RM7.9 million and RM2.4 million respectively in current quarter as compared to revenue of RM2.5 million and PBT of RM0.8 million in the preceding year corresponding quarter. Higher revenue and PBT in current quarter were mainly due to effective marketing strategies which increased the sales of properties in Batu Kawah New Township, Kuching.

Power segment: This segment reported revenue and LBT of RM31.0 million and RM41.3 million respectively in current quarter as compared to revenue of RM3.0 million and LBT of RM58.9 million in the preceding year corresponding quarter. Higher revenue reported in current quarter was attributable to the development of 49MW solar photovoltaic energy plant at Sungai Siput, Perak. Lower LBT in the current quarter was mainly due to share of lower losses from RKM in current quarter as compared to RKM's preceding year corresponding quarter with additional interest cost recognised following the completion of its audit for the year ended 31 March 2017.

Other segment: This segment comprises primarily manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM15.9 million and RM4.5 million respectively in current quarter as compared to revenue of RM16.8 million and LBT of RM3.7 million in the preceding year corresponding quarter. 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 THIRD QUARTER ENDED 30 SEPTEMBER 2018

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE (CONT'D)

YEAR-TO-DATE ANALYSIS:

	Cumulative Period			
	Current Year To-Date	Preceding Year Corresponding Period	Changes	
	30-SEP-18	30-SEP-17	RM'000	%
Revenue	636,926	399,351	237,575	59
Profit from operations	40,647	62,067	(21,420)	(35)
Loss before interest and tax	(120,182)	(70,518)	(49,664)	70
Loss before tax	(152,774)	(104,300)	(48,474)	46
Loss after tax	(159,544)	(109,483)	(50,061)	46
Loss attributable to owners of the Company	(160,991)	(110,092)	(50,899)	46

The Group reported revenue of RM636.9 million and LBT of RM152.8 million for the period ended 30 September 2018 as compared to revenue of RM399.4 million and LBT of RM104.3 million for the preceding year corresponding period. Revenue increased in current period was attributable to continued development of the 49MW solar photovoltaic energy plant in Perak. Higher LBT in 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 RM311.7 million and RM4.0 million respectively for the period ended 30 September 2018 as compared to revenue of RM321.6 million and PBT of RM8.1 million for the preceding year corresponding period. Lower revenue in current period was mainly due to slow progress of the LRT3 project as compared to the initial projected schedule, as well as completion of certain Pengerang projects. Significant reduction in PBT in current period was mainly due to low margin from on-going projects.

Property segment : This segment reported revenue and PBT of RM13.8 million and RM3.1 million respectively for the period ended 30 September 2018 as compared to revenue of RM14.8 million and PBT of RM4.6 million for the preceding corresponding period ended 30 September 2017. Lower revenue and PBT in current period were due to lower sales of properties in Batu Kawah New Township, Kuching. However, effective marketing strategies has brought in additional sales towards the end of current period.

Power segment : The segment reported revenue and LBT of RM276.4 million and RM142.2 million respectively for the period ended 30 September 2018 as compared to revenue of RM8.9 million and LBT of RM108.9 million for the preceding year corresponding period. Higher revenue in 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 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 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 RM35.1 million and RM17.7 million respectively for the period ended 30 September 2018 as compared to revenue of RM54.1 million and LBT of RM8.1 million for the preceding year corresponding period. Lower revenue and higher LBT in 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 THIRD QUARTER ENDED 30 SEPTEMBER 2018

NOTES TO QUARTERLY REPORT

15. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 30-SEP-18	Immediate Preceding Quarter 30-JUN-18	Changes	
	RM'000	RM'000	RM'000	%
Revenue	148,181	301,378	(153,197)	(51)
Profit from operations	11,269	14,182	(2,913)	(21)
Loss before interest and tax	(31,926)	(65,661)	33,735	(51)
Loss before tax	(42,841)	(76,919)	34,078	(44)
Loss after tax	(48,787)	(76,460)	27,673	(37)
Loss attributable to owners of the Company	(49,595)	(77,706)	28,111	(37)

The Group reported revenue of RM148.2 million and LBT of RM42.8 million in current quarter as compared to revenue of RM301.4 million and LBT of RM76.9 million in the immediate preceding quarter. Lower revenue in current quarter was mainly due to the near completion of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak and completion of two of the construction projects in Pengerang whilst lower LBT in current quarter was attributable to sharing of lower losses from RKM, a 26% associate of the Group.

16. PROSPECTS

Pending finalisation of LRT3 project contract value revision, the Group's order book of RM1.8 billion as at the reporting date is expected to sustain its operations over the next 2 to 3 years. Post Budget 2019, the outlook for construction sector remains challenging due to deferment of mega infrastructure projects. The Group will continue to participate actively in open biddings of both public and private projects and is confident of replenishing its order book given its vast experience and competitiveness in the construction segment.

The investment in the IPP in India via 26% associate RKM continues to pose a very challenging prospect to the Group. RKM is currently working with its lenders on a stressed assets resolution plan under Reserve Bank of India's ("RBI") framework. Meanwhile, the conditional Share Sale and Purchase Agreement dated 28 February 2018 for the proposed disposal of 7.07% equity interest in RKM which will reduce the Group's exposure in the Indian IPP investment is still subject to fulfilment of conditions precedent. 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. In addition, RKM has entered into a Pilot Agreement for Procurement of Power ("PAPP") with PTC India Limited for the supply of 550 MW power from Unit 2 & 3 for a period of 3 years, expected to commence power sale in February 2019.

The Group's latest investment in Large Scale Solar Photovoltaic Power Plant of 49MW at Sungai Siput, Perak has achieved commercial operation date on 27 November 2018 and is expected to generate recurring income to the Group for the next 21 years. The Group will continue to pursue investments both locally and overseas to build up its concession asset base, especially in renewable energy sector, to provide recurring income streams to cushion against the potential volatility of the construction business.

17. VARIANCE ON PROFIT FORECAST

Not applicable.

18. INCOME TAX EXPENSE

	CURRENT QUARTER 30-SEP-18 RM'000	9 MONTHS 30-SEP-18 RM'000
Current income tax:		
- Malaysian income tax	<u>(5,946)</u>	<u>(6,770)</u>

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 THIRD QUARTER ENDED 30 SEPTEMBER 2018

NOTES TO QUARTERLY REPORT

20. GROUP BORROWINGS AND DEBT SECURITIES

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

As at 30 September 2018			
Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
<i>Revolving credits</i>	Floating	-	81,860
<i>Finance lease liabilities</i>	Fixed	4,716	4,658
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	-	207,016
<i>Term loan denominated in RM</i>	Fixed/Floating	27,565	6,259
<i>Green SRI Sukuk Wakalah</i>	Fixed	190,000	-
		222,281	299,793
			522,074
Unsecured			
<i>Invoice financing</i>	Floating	-	3,385
<i>Revolving credits</i>	Floating	-	40,000
<i>Islamic Medium Term Notes ("IMTN")</i>	Fixed	-	120,000
<i>Euro Medium Term Notes ("EMTN") denominated in USD (USD60 million)</i>	Fixed	248,419	-
		248,419	163,385
		470,700	463,178
			933,878

As at 30 September 2017			
Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
<i>Revolving credit</i>	Floating	-	98,000
<i>Finance lease liabilities</i>	Fixed	3,419	2,607
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	-	211,250
<i>Term loan denominated in RM</i>	Floating	33,916	6,063
		37,335	317,920
			355,255
Unsecured			
<i>Revolving credit</i>	Floating	-	40,000
<i>Islamic Medium Term Notes ("IMTN")</i>	Fixed	120,000	-
<i>Euro Medium Term Notes ("EMTN") denominated in USD (USD60 million)</i>	Fixed	253,500	-
		373,500	40,000
		410,835	357,920
			768,755

(ii) Total borrowings increased from RM768.8 million as at 30 September 2017 to RM933.9 million as at 30 September 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 for the development of the 49 MW solar photovoltaic energy plant at Sungai Siput, Perak after offsetting the repayment of loans and borrowings.

(iii) Total repayment of borrowings during the period ended 30 September 2018 amounted to RM37.8 million with an estimated net interest savings of RM2.2 million per annum.

(iv) The weighted average interest rate of the Group's borrowings was 5.9% per annum.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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-Sep-18 RM'000
Neither past due nor impaired	82,367
1 to 30 days past due but not impaired	30,392
31 to 60 days past due but not impaired	719
61 to 90 days past due but not impaired	4,795
91 to 120 days past due but not impaired	3,354
More than 120 days are past due but not impaired	152,435
	191,695
Trade receivables that are impaired	5,716
	<u>279,778</u>

Trade receivables are non-interest bearing and generally on credit term up to 45 days.

Included in trade receivables (more than 120 days are past due but not impaired) is the amount due from an associate of RM 147.3 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 September 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-SEP-18	9 MONTHS ENDED 30-SEP-18
<u>Basic and Diluted loss per share:-</u>		
(a) Loss for the period attributable to owners of the Company (RM'000)	<u>(49,595)</u>	<u>(160,991)</u>
(b) Weighted average number of ordinary shares ('000)	591,598	591,598
Basic and diluted loss per share (sen)	<u>(8.38)</u>	<u>(27.21)</u>