

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2018**
(The figures have not been audited)

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31-DEC-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-DEC-17 RM'000	CUMULATIVE PERIOD CURRENT YEAR TO DATE 31-DEC-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-DEC-17 RM'000
Continuing Operations				
Revenue	125,737	146,029	762,663	545,380
Operating expenses	(119,591)	(133,773)	(715,276)	(469,092)
Profit from operations	<u>6,146</u>	<u>12,256</u>	<u>47,387</u>	<u>76,288</u>
Interest income	3,126	2,681	15,814	11,514
Other income	1,925	3,171	3,464	5,723
Foreign exchange (loss)/gain	(1,245)	6,460	(5,527)	8,187
Fair value gain/(loss) on derivative	333	(7,829)	4,125	(12,323)
Depreciation and amortization	(5,001)	(4,998)	(18,572)	(18,152)
(Loss)/Gain on disposal of property, plant and equipment	(54)	213	2,075	1,501
Property, plant and equipment written off	(1,747)	-	(2,033)	-
(Provision)/Reversal of impairment loss on financial assets	(36,153)	2,827	(36,153)	(14,473)
Impairment loss on investment in an associate	(145,551)	-	(145,551)	-
ESOS expenses	(297)	(478)	(1,189)	(1,820)
Interest expense	(11,673)	(10,886)	(44,573)	(44,668)
Share of results of associates	(47,418)	(22,281)	(213,185)	(137,218)
Reversal of unrealised profit adjustment	1,141	756	4,676	3,033
Loss before tax	<u>(236,468)</u>	<u>(18,108)</u>	<u>(389,242)</u>	<u>(122,408)</u>
Income tax expense	(6,428)	6,788	(13,198)	1,605
Loss after tax	<u>(242,896)</u>	<u>(11,320)</u>	<u>(402,440)</u>	<u>(120,803)</u>
Other comprehensive expenses:				
Foreign currency translation differences	15	(435)	(1,416)	(1,814)
Total comprehensive expense	<u>(242,881)</u>	<u>(11,755)</u>	<u>(403,856)</u>	<u>(122,617)</u>
(Loss)/Profit attributable to:				
Owners of the Company	(235,247)	(13,820)	(396,238)	(123,912)
Non-controlling interest	(7,649)	2,500	(6,202)	3,109
	<u>(242,896)</u>	<u>(11,320)</u>	<u>(402,440)</u>	<u>(120,803)</u>
Total comprehensive expense attributable to:				
Owners of the Company	(234,848)	(14,010)	(397,263)	(125,207)
Non-controlling interest	(8,033)	2,255	(6,593)	2,590
	<u>(242,881)</u>	<u>(11,755)</u>	<u>(403,856)</u>	<u>(122,617)</u>
Loss per share (sen) attributable to equity holders of the Company:				
Basic and diluted loss per share (sen)	<u>(39.77)</u>	<u>(2.51)</u>	<u>(66.98)</u>	<u>(22.46)</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 591,573,000 and 551,600,000 respectively.

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

	AS AT 31-DEC-18 RM'000	AS AT 31-DEC-17 RM'000
Assets		
Property, plant and equipment	42,721	48,018
Investment properties	48,071	50,935
Intangible assets	9,913	10,533
Service concession assets	322,404	74,839
Investment in associates	72,594	427,729
Other investments	5,713	5,291
Deferred tax asset	1,129	7,633
Total non-current assets	502,545	624,978
Inventories	81,137	45,257
Property development costs	58,752	55,625
Trade and other receivables	335,346	312,662
Other current assets	271,108	334,023
Derivative financial assets	7,002	-
Tax recoverable	13,950	17,939
Cash and bank balances	330,528	456,853
Total current assets	1,097,823	1,222,359
Total assets	1,600,368	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	9,727	9,574
Foreign currency translation reserve	(14,798)	(13,773)
Retained earnings	(89,063)	306,139
Equity attributable to owners of the Company	267,867	664,785
Non-controlling interests	(22,458)	(15,865)
Total equity	245,409	648,920
Liabilities		
Loans and borrowings	426,772	401,662
Refundable deposits	2,427	2,219
Deferred tax liabilities	5,814	5,525
Deferred income	5,659	5,659
Total non-current liabilities	440,672	415,065
Trade and other payables	409,636	351,247
Amount due to contracts customers	38,382	68,818
Tax liabilities	-	72
Loans and borrowings	466,269	350,892
Derivative financial liabilities	-	12,323
Total current liabilities	914,287	783,352
Total liabilities	1,354,959	1,198,417
Total equity and liabilities	1,600,368	1,847,337
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.45	1.13

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 FOURTH QUARTER ENDED 31 DECEMBER 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	-	-	-	-	-	(1,025)	-	(1,025)	(391)	(1,416)
(Loss)/Profit for the year	-	-	-	-	-	-	(396,238)	(396,238)	(6,202)	(402,440)
Total comprehensive income/(expense)	-	-	-	-	-	(1,025)	(396,238)	(397,263)	(6,593)	(403,856)
Contribution by and distributions to owners of the Company										
Share-based payment transaction	-	-	-	1,189	-	-	-	1,189	-	1,189
ESOS forfeited	-	-	-	(1,036)	-	-	1,036	-	-	-
Repurchase of ordinary shares	-	-	-	-	(844)	-	-	(844)	-	(844)
Total transactions with owners of the Company	-	-	-	153	(844)	-	1,036	345	-	345
At 31 December 2018	393,172	-	4,900	9,727	(36,071)	(14,798)	(89,063)	267,867	(22,458)	245,409
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	-	-	-	-	-	(1,295)	-	(1,295)	(519)	(1,814)
(Loss)/Profit for the period	-	-	-	-	-	-	(123,912)	(123,912)	3,109	(120,803)
Total comprehensive income/(expense)	-	-	-	-	-	(1,295)	(123,912)	(125,207)	2,590	(122,617)
Contribution by and distributions to owners of the Company										
Changes in equity interest in a subsidiary	-	-	-	-	-	-	-	-	(229)	(229)
ESOS forfeited	-	-	-	(781)	-	-	781	-	-	-
Investment in subsidiaries written off	-	-	-	-	-	1,477	(1,021)	456	(45)	411
Share-based payment transactions	-	-	-	1,820	-	-	-	1,820	-	1,820
Share buyback	-	-	-	-	(539)	-	-	(539)	-	(539)
Proceeds from private placement	60,950	-	-	-	-	-	-	60,950	-	60,950
Total transactions with owners of the Company	60,950	-	-	1,039	(539)	1,477	(240)	62,687	(274)	62,413
Transfer in accordance with Section 618(2) of the Companies Act 2016	221,739	(221,739)	-	-	-	-	-	-	-	-
At 31 December 2017	393,172	-	4,900	9,574	(35,227)	(13,773)	306,139	664,785	(15,865)	648,920

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

(The figures have not been audited)

	12 MONTHS ENDED	
	31-DEC-18	31-DEC-17
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(389,242)	(122,408)
Adjustments for:		
Amortisation of intangible asset	620	620
Amortisation of service concession assets	5,024	4,187
Bad debts written off	-	1,010
Depreciation of investment property	1,000	992
Depreciation of property, plant and equipment	11,928	12,353
ESOS expenses	1,189	1,820
Gain on disposal of investment in associate	-	(2,273)
Gain on disposal of property, plant and equipment	(2,075)	(1,501)
Fair value (gain)/loss on derivative	(4,125)	12,323
Fair value adjustment of service concession assets	-	(3,664)
Fair value gain on other investment	(387)	-
(Reversal)/Provision of impairment loss of other asset	(3,777)	7,628
Impairment loss of trade and other receivables	39,930	5,835
Impairment loss of investment in associate	145,551	-
Investment in subsidiaries written off	-	411
Interest income	(15,814)	(11,514)
Interest expense	44,573	44,668
Share of results of equity accounted associates	213,185	137,218
Property, plant and equipment written off	2,033	-
Reversal of unrealised profit adjustment	(4,676)	(3,033)
Unrealised loss/(gain) on foreign exchange	4,469	(8,937)
Operating profit before working capital changes	49,406	75,735
Changes in working capital:		
Inventories	(35,880)	(3,539)
Property development costs	(3,127)	(16,390)
Trade and other receivables	8,352	221,476
Trade and other payables	29,783	(105,616)
Cash generated from operations	48,534	171,666
Tax paid	(4,854)	(4,696)
Tax refunded	403	104
Net cash generated from operating activities	44,083	167,074
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional expenditure in investment property	-	(682)
Addition in other investment	(35)	-
Addition in service concession assets	(252,589)	(5,879)
Advances to an associate	(2,638)	(4,072)
Interest received	15,814	11,514
Net investment in associates	-	(10,305)
Purchase of additional shares in subsidiary	-	(229)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 (CONT'D)

(The figures have not been audited)

	12 MONTHS ENDED	
	31-DEC-18	31-DEC-17
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES (CONT'D)		
Purchase of property, plant and equipment	(3,398)	(8,453)
Proceeds from disposal of property, plant and equipment	2,231	1,720
Change in pledged deposits	(3,279)	(220,766)
Net cash generated used in investing activities	(243,894)	(237,152)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to an associate	(1,742)	(321)
Interest paid	(44,573)	(44,668)
Issue of ordinary shares	-	60,950
Net drawdown/(repayment) of loans and borrowings	121,289	(27,527)
Purchase of ordinary shares	(844)	(539)
Repayment of finance lease liabilities	(3,923)	(2,042)
Net cash generated from/(used in) financing activities	70,207	(14,147)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(129,604)	(84,225)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	226,219	310,444
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD	96,615	226,219
Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise:		
Cash and bank balances	43,242	81,128
Deposits placed with financial institutions	287,286	375,725
	330,528	456,853
Less:		
Pledged deposits	(233,913)	(230,634)
	96,615	226,219

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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2018, the Group relied on RKM's unaudited management accounts for the period ended 31 December 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 Units II & III have yet to commence power sales during the period under review. RKM is currently working on a proposed resolution plan with its lenders under the Reserve Bank of India (“RBI”)’s Resolution of Stressed Assets - Revised Framework dated 12 February 2018. The Group has assessed its investment in RKM based on this proposed resolution plan and made the necessary adjustments to reflect its estimated recoverable amount.

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 year ended 31 December 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 year ended 31 December 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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2018. As at 31 December 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 December 2018. As at 31 December 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 FOURTH QUARTER ENDED 31 DECEMBER 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>Q4 2018</u>						
REVENUE :						
External customers	79,195	9,224	22,025	15,293	-	125,737
Inter-segment	7,143	318	476	8,214	(16,151)	-
Total revenue	86,338	9,542	22,501	23,507	(16,151)	125,737
RESULTS :						
Included in the measure of segment profit/(loss) are:						
(Loss)/Profit before tax	(40,204)	614	(191,943)	(4,935)	-	(236,468)
Interest income	424	20	1,253	1,429	-	3,126
Interest expenses	(5,739)	(68)	(1,462)	(4,404)	-	(11,673)
Depreciation and amortisation	(1,769)	(302)	(2,322)	(608)	-	(5,001)
Share of profit/(loss) of associates	45	-	(47,463)	-	-	(47,418)
ESOS expenses	(297)	-	-	-	-	(297)
Income tax expenses	(5,926)	(338)	6	(170)	-	(6,428)
(Loss)/Profit after tax	(46,130)	275	(191,936)	(5,105)	-	(242,896)
<u>Q4 2017</u>						
REVENUE :						
External customers	112,788	3,764	12,232	17,245	-	146,029
Inter-segment	-	571	-	5,345	(5,916)	-
Total revenue	112,788	4,335	12,232	22,590	(5,916)	146,029
RESULTS :						
Included in the measure of segment profit/(loss) are:						
Profit/(Loss) before tax	2,403	3,398	(18,218)	(5,272)	(419)	(18,108)
Interest income	714	73	942	1,013	(61)	2,681
Interest expenses	(6,008)	(32)	(530)	(4,377)	61	(10,886)
Depreciation and amortisation	(1,751)	(1,344)	(1,486)	(417)	-	(4,998)
Share of profit/(loss) of associates	19	-	(22,300)	-	-	(22,281)
ESOS expenses	(478)	-	-	-	-	(478)
Income tax expenses	8,810	(336)	(1,172)	(514)	-	6,788
Profit/(Loss) after tax	11,213	3,062	(19,390)	(5,786)	(419)	(11,320)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

NOTES TO QUARTERLY REPORT

8 SEGMENTAL INFORMATION (CONT'D)

YEAR-TO-DATE RESULTS:

12 MONTHS ENDED 31-DEC-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	390,891	22,983	298,427	50,362	-	762,663
Inter-segment	249,536	17,898	476	20,566	(288,476)	-
Total revenue	640,427	40,881	298,903	70,928	(288,476)	762,663

RESULTS :

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

(Loss)/Profit before tax	(36,248)	3,718	(334,132)	(22,580)	-	(389,242)
Interest income	3,231	67	7,761	4,755	-	15,814
Interest expenses	(24,356)	(215)	(2,944)	(17,058)	-	(44,573)
Depreciation and amortisation	(9,278)	(1,334)	(5,664)	(2,296)	-	(18,572)
Share of profit/(loss) of associates	295	-	(213,480)	-	-	(213,185)
ESOS expenses	(1,189)	-	-	-	-	(1,189)
Income tax expenses	(10,960)	(1,904)	-	(334)	-	(13,198)
(Loss)/Profit after tax	(47,208)	1,814	(334,132)	(22,914)	-	(402,440)

Assets :

Investment in associates	4,210	-	68,384	-	-	72,594
Additions to non-current assets [^]	3,907	20	252,484	512	-	256,923
Segment assets	884,378	250,190	503,753	698,657	(736,610)	1,600,368

Segment liabilities :

	771,665	114,726	441,792	297,263	(270,487)	1,354,959
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12 MONTHS ENDED 31-DEC-17

REVENUE :

External customers	434,360	18,556	21,145	71,319	-	545,380
Inter-segment	-	1,466	-	15,642	(17,108)	-
Total revenue	434,360	20,022	21,145	86,961	(17,108)	545,380

RESULTS :

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

Profit/(Loss) before tax	10,549	7,953	(127,128)	(13,363)	(419)	(122,408)
Interest income	3,975	106	3,607	3,887	(61)	11,514
Interest expenses	(24,381)	(32)	(2,222)	(18,094)	61	(44,668)
Depreciation and amortisation	(9,634)	(2,391)	(4,807)	(1,320)	-	(18,152)
Share of loss of associate	(99)	(56)	(137,063)	-	-	(137,218)
ESOS expenses	(1,820)	-	-	-	-	(1,820)
Income tax expenses	8,810	(1,701)	(3,900)	(1,604)	-	1,605
Profit/(Loss) after tax	19,359	6,252	(131,028)	(14,967)	(419)	(120,803)

Assets :

Investment in associates#	3,915	-	423,814	-	-	427,729
Additions to non-current assets [^]	11,662	682	9,543	7,087	-	28,974
Segment assets	1,743,757	241,441	189,223	720,182	(1,047,266)	1,847,337

Segment liabilities :

	878,296	93,641	179,918	286,588	(240,026)	1,198,417
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[^] Additions to non-current assets consist of property, plant and equipment, investment property and service concession assets.

Included in investment in associates is the estimated recoverable amount of the Group's investment in RKM (a 26% owned associate incorporated in India) based on the project's lifespan cash flow projections discounted at a pre-tax rate of 17.5%. The Group has impaired RM145.6 million on its investment in RKM in the current year after assessing the impact of the proposed resolution plan under the RBI's revised framework, as disclosed in Note 1.

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 FOURTH QUARTER ENDED 31 DECEMBER 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:

	12 MONTHS ENDED 31-DEC-18 RM'000	12 MONTHS ENDED 31-DEC-17 RM'000
Associates		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	2,584	2,469
Secondment fee	331	386
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	2,528	2,528
Secondment fee	141	231
Corporate guarantee fee	250	353
Repayments	(2,434)	(1,567)
Other related party		
A company related to directors		
<i>Mulpha Group Services Sdn Bhd</i>		
Rental income	932	822
Rental expense	(759)	(753)

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 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., 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 FOURTH QUARTER ENDED 31 DECEMBER 2018

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE

QUARTERLY ANALYSIS:

	Individual Quarter			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	31-DEC-18	31-DEC-17	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	125,737	146,029	(20,292)	(14)
Profit from operations	6,146	12,256	(6,110)	(50)
Loss before interest and tax	(224,795)	(7,222)	(217,573)	3,013
Loss before tax	(236,468)	(18,108)	(218,360)	1,206
Loss after tax	(242,896)	(11,320)	(231,576)	2,046
Loss attributable to owners of the Company	(235,247)	(13,820)	(221,427)	1,602

The Group reported revenue of RM125.8 million and loss before tax ("LBT") of RM236.5 million in current quarter as compared to revenue of RM146.0 million and LBT of RM18.1 million in the corresponding quarter of 2017. Lower revenue in current quarter was mainly attributable to slow work progress for LRT3 whilst higher LBT reported in current quarter was mainly due to impairment on investment in associated company, RKM Powergen Pvt Ltd ("RKM") coupled with share of higher losses from RKM.

The performance of the respective business segments is as follow:

Construction segment: This segment reported revenue and LBT of RM79.2 million and RM40.2 million respectively in current quarter as compared to revenue of RM112.8 million and PBT of RM2.4 million in the preceding year corresponding quarter. Lower revenue in current quarter was mainly due to slow construction work progress of LRT3 project whilst LBT reported in current quarter was mainly due to impairment on long overdue receivable from RKM arising from the equipments supply contracts.

Property segment: This segment reported revenue and PBT of RM9.2 million and RM0.6 million respectively in current quarter as compared to revenue of RM3.8 million and PBT of RM3.4 million in the preceding year corresponding quarter. Higher revenue in current quarter were contributed by effective marketing strategies which increased sales of properties in Batu Kawah New Township, Kuching whilst lower PBT was mainly due to higher marketing costs for the properties sales coupled with additional interest cost.

Power segment: This segment reported revenue and LBT of RM22.0 million and RM191.9 million respectively in current quarter as compared to revenue of RM12.2 million and LBT of RM18.2 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. The plant achieved COD on 27 November 2018 and commenced power sales to Tenaga Nasional Berhad ("TNB") under a 21-year power purchase agreement that was signed with TNB on 16 March 2017. Nonetheless, higher LBT in the current quarter was mainly due to impairment on investment in RKM and share of higher losses from RKM in current quarter as compared to preceding year corresponding quarter.

Other segment: This segment comprises primarily manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM15.3 million and RM4.9 million respectively in current quarter as compared to revenue of RM17.2 million and LBT of RM5.3 million in the preceding year corresponding quarter. Lower revenue in the current quarter was mainly due to lower sales of precast concrete products in the manufacturing division as a result of delay in some infrastructure projects. Lower LBT in current quarter was mainly attributable to initial set-up costs for precast concrete products in the preceding year corresponding quarter.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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	
	31-DEC-18	31-DEC-17	RM'000	%
Revenue	762,663	545,380	217,283	40
Profit from operations	47,387	76,288	(28,901)	(38)
Loss before interest and tax	(344,669)	(77,740)	(266,929)	343
Loss before tax	(389,242)	(122,408)	(266,834)	218
Loss after tax	(402,440)	(120,803)	(281,637)	233
Loss attributable to owners of the Company	(396,238)	(123,912)	(272,326)	220

The Group reported revenue of RM762.7 million and LBT of RM389.2 million for the year ended 31 December 2018 as compared to revenue of RM545.4 million and LBT of RM122.4 million in year 2017. Revenue increased in current year was attributable to development of the 49MW solar photovoltaic energy plant in Perak. Higher LBT in current year was mainly due to share of losses in RKM coupled with the impairment of investment in RKM and the long overdue receivable from RKM arising from the equipment supply contracts.

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

Construction segment : This segment reported revenue and LBT of RM390.9 million and RM36.2 million respectively for the year ended 31 December 2018 as compared to revenue of RM434.4 million and PBT of RM10.5 million in year 2017. Lower revenue in current year 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. LBT in current year was mainly due to the impairment on long overdue receivable from RKM arising from the equipment supply contracts.

Property segment : This segment reported revenue and PBT of RM23.0 million and RM3.7 million respectively for the year ended 31 December 2018 as compared to revenue of RM18.6 million and PBT of RM8.0 million in year 2017. Higher revenue in current year was attributable to the effective marketing strategies which increased sales of properties in Batu Kawah New Township, Kuching. Lower PBT was mainly due to higher marketing costs for the properties sales coupled with additional interest cost.

Power segment : The segment reported revenue and LBT of RM298.4 million and RM334.1 million respectively for the year ended 31 December 2018 as compared to revenue of RM21.1 million and LBT of RM127.1 million in year 2017. Higher revenue in current year was attributable to revenue relating to the development of the 49MW solar plant in Sungai Siput, Perak as mentioned above. Higher LBT in current year was mainly due to impairment on investment in RKM and the Group's share of losses from RKM as Unit II & III achieved COD without power sales, whereby the depreciation charges and related interest costs for unit III 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 RM50.4 million and RM22.6 million respectively for the year ended 31 December 2018 as compared to revenue of RM71.3 million and LBT of RM13.4 million in year 2017. Lower revenue and higher LBT in current year was 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 FOURTH QUARTER ENDED 31 DECEMBER 2018

NOTES TO QUARTERLY REPORT

15. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 31-DEC-18	Immediate Preceding Quarter 30-SEPT-18	Changes	
	RM'000	RM'000	RM'000	%
Revenue	125,737	148,181	(22,444)	(15)
Profit from operations	6,146	11,269	(5,123)	(45)
Loss before interest and tax	(224,795)	(31,926)	(192,869)	604
Loss before tax	(236,468)	(42,841)	(193,627)	452
Loss after tax	(242,896)	(48,787)	(194,109)	398
Loss attributable to owners of the Company	(235,247)	(49,595)	(185,652)	374

The Group reported revenue of RM125.7 million and LBT of RM236.5 million in current quarter as compared to revenue of RM148.2 million and LBT of RM42.8 million in the immediate preceding quarter. Lower revenue in current quarter was mainly due to the completion of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak. Higher LBT in current quarter was mainly due to impairment on investment in RKM coupled with the Group's share of higher losses and impairment of long overdue receivable from RKM.

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. Outlook for construction sector remains challenging due to deferment of mega infrastructure projects. The Group will continue to participate actively in open biddings for 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. The proposed resolution plan under the RBI's revised framework as disclosed under Note 1, is currently being reviewed by various consultants and stakeholders. 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 Units II & III for a period of 3 years, which is expected to contribute positively to the Group's results upon commencement of power sales.

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 ENDED 31-DEC-18 RM'000	12 MONTHS ENDED 31-DEC-18 RM'000
Current tax expense	224	6,994
Deferred tax expense	6,204	6,204
	<u>6,428</u>	<u>13,198</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 and impairment loss on investment in an associate. In addition, there was deferred tax expense of RM6.2 million recognised during the financial year.

19. STATUS OF CORPORATE PROPOSALS

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

NOTES TO QUARTERLY REPORT

20. GROUP BORROWINGS AND DEBT SECURITIES

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

As at 31 December 2018				
	Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured				
<i>Revolving credits</i>	Floating	-	81,860	81,860
<i>Finance lease liabilities</i>	Fixed	3,741	4,782	8,523
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	206,915	-	206,915
<i>Term loan denominated in RM</i>	Fixed/Floating	26,116	6,166	32,282
<i>Green SRI Sukuk Wakalah</i>	Fixed	190,000	-	190,000
		<u>426,772</u>	<u>92,808</u>	<u>519,580</u>
Unsecured				
<i>Invoice financing</i>	Floating	-	13,663	13,663
<i>Revolving credits</i>	Floating	-	44,000	44,000
<i>Islamic Medium Term Notes ("IMTN")</i>	Fixed	-	67,500	67,500
<i>Euro Medium Term Notes ("EMTN") denominated in USD (USD60 million)</i>	Fixed	-	248,298	248,298
		<u>-</u>	<u>373,461</u>	<u>373,461</u>
Total Group's borrowings		<u>426,772</u>	<u>466,269</u>	<u>893,041</u>

As at 31 December 2017				
	Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured				
<i>Revolving credit</i>	Floating	-	98,000	98,000
<i>Finance lease liabilities</i>	Fixed	5,516	3,366	8,882
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	-	203,463	203,463
<i>Term loan denominated in RM</i>	Floating	32,206	6,063	38,269
		<u>37,722</u>	<u>310,892</u>	<u>348,614</u>
Unsecured				
<i>Revolving credit</i>	Floating	-	40,000	40,000
<i>Islamic Medium Term Notes ("IMTN")</i>	Fixed	120,000	-	120,000
<i>Euro Medium Term Notes ("EMTN") denominated in USD (USD60 million)</i>	Fixed	243,940	-	243,940
		<u>363,940</u>	<u>40,000</u>	<u>403,940</u>
Total Group's borrowings		<u>401,662</u>	<u>350,892</u>	<u>752,554</u>

- (ii) Total borrowings increased from RM752.6 million as at 31 December 2017 to RM893.0 million as at 31 December 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 in current year.
- (iii) Total repayment of borrowings during the year ended 31 December 2018 amounted to RM76.7 million with an estimated net interest savings of RM3.9 million per annum. The Group has successfully redeemed the Tranche 2 of IMTN amounted to RM67.5 million on 23 January 2019.
- (iv) The weighted average interest rate of the Group's borrowings was 5.8% per annum.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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-Dec-18 RM'000
Neither past due nor impaired	70,269
1 to 30 days past due but not impaired	6,986
31 to 60 days past due but not impaired	4,115
61 to 90 days past due but not impaired	7,745
91 to 120 days past due but not impaired	12,569
More than 120 days are past due but not impaired	161,677
	193,092
Trade receivables that are impaired	(45,479)
Trade receivables (net)	<u>217,882</u>

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

Included in trade receivables net of impairment is the amount due from an associate of RM 108.6 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 December 2018.

24. BASIC EARNINGS PER SHARE

The 'Basic and Diluted loss per share' 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-DEC-18	12 MONTHS ENDED 31-DEC-18
<u>Basic and Diluted loss per share:-</u>		
(a) Loss for the period attributable to owners of the Company (RM'000)	<u>(235,247)</u>	<u>(396,238)</u>
(b) Weighted average number of ordinary shares ('000)	591,573	591,573
Basic and diluted loss per share (sen)	<u>(39.77)</u>	<u>(66.98)</u>