

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2019

(The figures have not been audited)

	INDIVIDUAL QUARTER PRECEDING		CUMULATIVE PERIOD PRECEDING	
	CURRENT YEAR	YEAR CORRESPONDING	CURRENT YEAR	YEAR CORRESPONDING
	QUARTER 31-MAR-19	QUARTER 31-MAR-18	TO DATE 31-MAR-19	PERIOD 31-MAR-18
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	100,093	187,367	100,093	187,367
Operating expenses	(80,481)	(172,171)	(80,481)	(172,171)
Profit from operations	19,612	15,196	19,612	15,196
Interest income	2,519	4,374	2,519	4,374
Other income	812	465	812	465
Fair value gain/(loss) on derivative	(8,623)	4,323	(8,623)	4,323
Foreign exchange gain/(loss)	7,602	(7,419)	7,602	(7,419)
Depreciation and amortization	(6,567)	(4,737)	(6,567)	(4,737)
Gain on disposal of property, plant and equipment	(9)	1,091	(9)	1,091
Gain on subsidiary winding up	559	-	559	-
ESOS expenses	(183)	(297)	(183)	(297)
Interest expense	(13,553)	(10,419)	(13,553)	(10,419)
Share of results of associates	(44,601)	(36,349)	(44,601)	(36,349)
Reversal of unrealised profit adjustment	1,137	758	1,137	758
Loss before tax	(41,295)	(33,014)	(41,295)	(33,014)
Income tax expense	(305)	(1,283)	(305)	(1,283)
Loss after tax	(41,600)	(34,297)	(41,600)	(34,297)
Other comprehensive income/(expenses):				
Foreign currency translation differences	(1,421)	630	(1,421)	630
Total comprehensive expense	(43,021)	(33,667)	(43,021)	(33,667)
Loss attributable to:				
Owners of the Company	(42,263)	(33,690)	(42,263)	(33,690)
Non-controlling interest	663	(607)	663	(607)
	(41,600)	(34,297)	(41,600)	(34,297)
Total comprehensive expense attributable to:				
Owners of the Company	(43,244)	(33,080)	(43,244)	(33,080)
Non-controlling interest	223	(587)	223	(587)
	(43,021)	(33,667)	(43,021)	(33,667)
Loss per share (sen) attributable to equity holders of the Company:				
Basic and diluted loss per share (sen)	(7.16)	(5.69)	(7.16)	(5.69)

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 2018.

The basic and diluted loss per ordinary shares for both current and corresponding periods were calculated based on weighted average ordinary shares of 589,914,000 and 591,805,000 respectively.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019
(The figures have not been audited)

	AS AT 31-MAR-19 RM'000	AS AT 31-DEC-18 RM'000
Assets		
Property, plant and equipment	38,299	42,903
Investment property	52,763	50,441
Intangible asset	9,758	9,913
Service concession assets	320,439	323,691
Right-of-use assets	46,544	-
Investment in associates	27,613	71,455
Other investments	964	964
Deferred tax asset	2,066	2,066
Trade and other receivables	4,749	4,749
Total non-current assets	503,195	506,182
Inventories	131,361	132,915
Contract assets	82,382	71,969
Contract costs	-	68
Trade and other receivables	281,959	332,500
Other current assets	199,587	199,587
Derivative financial assets	-	7,002
Tax recoverable	16,074	16,335
Cash and bank balances	316,751	330,722
Total current assets	1,028,114	1,091,098
Total assets	1,531,309	1,597,280
Equity		
Share capital	393,172	393,172
Treasury shares	(36,075)	(36,075)
Employees' share option reserve	9,910	9,727
Foreign currency translation reserve	(15,547)	(14,566)
Retained earnings	(178,567)	(136,304)
Equity attributable to owners of the Company	172,893	215,954
Non-controlling interests	28,783	28,560
Total equity	201,676	244,514
Liabilities		
Lease liability	46,000	-
Loans and borrowings	421,172	426,504
Refundable deposits	2,143	1,717
Deferred tax liabilities	7,281	7,281
Deferred income	5,659	5,659
Total non-current liabilities	482,255	441,161
Lease liability	944	-
Trade and other payables	361,409	403,567
Contract liabilities	38,482	41,490
Tax liabilities	10	12
Loans and borrowings	444,912	466,536
Derivative financial liabilities	1,621	-
Total current liabilities	847,378	911,605
Total liabilities	1,329,633	1,352,766
Total equity and liabilities	1,531,309	1,597,280
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.29	0.37

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 2018.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2019
(The figures have not been audited)

<-----Attributable to Equity Holders of the Company ----->

	Share capital 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 2019	393,172	9,727	(36,075)	(14,566)	(136,304)	215,954	28,560	244,514
Foreign currency translation differences for foreign operations	-	-	-	(981)	-	(981)	(440)	(1,421)
(Loss)/Profit for the period	-	-	-	-	(42,263)	(42,263)	663	(41,600)
Total comprehensive income/(expense)	-	-	-	(981)	(42,263)	(43,244)	223	(43,021)
Contribution by and distributions to owners of the Company								
Share-based payment transaction	-	183	-	-	-	183	-	183
Total transactions with owners of the Company	-	183	-	-	-	183	-	183
At 31 March 2019	393,172	9,910	(36,075)	(15,547)	(178,567)	172,893	28,783	201,676
At 1 January 2018	393,172	9,574	(35,227)	(13,530)	256,333	610,322	35,312	645,634
Foreign currency translation differences for foreign operations	-	-	-	610	-	610	20	630
Loss for the period	-	-	-	-	(33,690)	(33,690)	(607)	(34,297)
Total comprehensive income/(expense)	-	-	-	610	(33,690)	(33,080)	(587)	(33,667)
Contribution by and distributions to owners of the Company								
Share-based payment transaction	-	297	-	-	-	297	-	297
Repurchase of ordinary shares	-	-	(844)	-	-	(844)	-	(844)
Total transactions with owners of the Company	-	297	(844)	-	-	(547)	-	(547)
At 31 March 2018	393,172	9,871	(36,071)	(12,920)	222,643	576,695	34,725	611,420

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

(The figures have not been audited)

	3 MONTHS ENDED	
	31-MAR-19	31-MAR-18
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(41,295)	(33,014)
Adjustments for:		
Amortisation of intangible asset	155	155
Amortisation of service concession assets	4,015	957
Depreciation of investment property	250	250
Depreciation of property, plant and equipment	2,147	3,375
ESOS expenses	183	297
(Gain)/Loss on disposal of property, plant and equipment	9	(1,091)
Fair value (gain)/loss on derivative	8,623	(4,323)
Interest income	(2,519)	(4,374)
Interest expense	13,553	10,419
Share of results of equity accounted associates	44,601	36,349
Reversal of unrealised profit adjustment	(1,137)	(758)
Unrealised (gain)/loss on foreign exchange	(7,602)	6,318
Operating profit before working capital changes	20,983	14,560
Changes in working capital:		
Right of use	(46,544)	-
Inventories	1,554	529
Contract assets	(10,413)	-
Contract costs	68	-
Property development costs	-	(4,829)
Trade and other receivables	46,014	20,128
Lease liability	46,944	-
Trade and other payables	(40,828)	(1,571)
Contra liabilities	(3,008)	-
Cash generated from operations	14,770	28,817
Tax paid	(1,309)	(875)
Tax refunded	1,263	403
Net cash generated from operating activities	14,724	28,345
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in service concession assets	(763)	(49,653)
Interest received	2,519	4,374
Advance to an associate	(75)	-
Purchase of property, plant and equipment	(352)	(1,169)
Proceeds from disposal of property, plant and equipment	228	1,200
Change in pledged deposits	6,278	(248,397)
Net cash generated from/(used in) investing activities	7,835	(293,645)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (CONT'D)

(The figures have not been audited)

	3 MONTHS ENDED	
	31-MAR-19	31-MAR-18
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(13,553)	(10,419)
Net (repayment)/drawdown of loans and borrowings	(14,487)	159,758
Repayment of finance lease liabilities	(1,308)	(735)
Repayment to an associate	(904)	(15)
Share buyback	-	(844)
Net cash generated (used in)/from financing activities	(30,252)	147,745
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,693)	(117,555)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	100,088	226,219
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	92,395	108,664
Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise:		
Cash and bank balances	47,610	211,970
Deposits placed with financial institutions	269,141	375,725
	316,751	587,695
Less:		
Pledged deposits	(224,356)	(479,031)
	92,395	108,664

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 2018.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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 2018. 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 2018.

R.K.M Powergen Private Limited (“RKM”), a 26% associate incorporated in India with its financial year ended in March, has its last financial statements audited up to 31 March 2018. In accounting for the Group's share of results in RKM for the period ended 31 March 2019 with its year end audit still ongoing, the Group relied on RKM's unaudited management accounts for the period ended 31 March 2019 which included the depreciation charges of the 4 units of the Independent Power Plant (“IPP”) that had achieved Commercial Operation Date (“COD”) and the corresponding interest costs from borrowings taken to build the 4 units, which could no longer be capitalized after COD. RKM has commenced its power sales for Unit I in April 2017, whilst Units II, III and IV have yet to commence power sales during the period under review. RKM is currently working on a proposed resolution plan with its lenders.

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

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 2019

- MFRS 16, Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017)
- Amendments to MFRS 9, Financial Instruments - Prepayment Features with Negative Compensation
- Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 119, Employee Benefits - Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 128, Investment in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group except as mentioned below:

MFRS 16, Leases (“MFRS 16”)

MFRS 16 replaces MFRS 117, Leases (“MFRS 117”) and IC Interpretation 4, Determining whether an Arrangement contains a Lease (“IC 4”) introduces a new model for lessee accounting and make some improvements to MFRS 117.

This standard introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) assets representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. ROU asset is depreciated throughout the lease period in straight line method, whereas lease liability is accreted to reflect interest and is reduced to reflect payments made.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

NOTES TO QUARTERLY REPORT

1. BASIS OF PREPARATION (CONTINUED)

MFRS 16, Leases ("MFRS 16") (Continued)

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117, therefore MFRS 16 does not have an impact for leases where the Group is the lessor.

The Group has applied the new standard using modified retrospective approach with the date of initial application of 1 January 2019. Under this approach, the Group measures the ROU asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statements of financial position immediately before 1 January 2019. The Group has elected not to recognise ROU assets and lease liability for short term of 12 months or less and leases of low-value assets. The Group does not expect the application of MFRS 16 to have material financial impact on its financial statements. The effect of adoption of MFRS 16 as at 1 January 2019 is as follows:

Non - Current Assets	RM'000
Right-of-use assets	46,977
Non - Current Liabilities	
Lease liability	46,000
Current Liabilities	
Lease liability	977

2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report on the financial statements for the year ended 31 December 2018 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 March 2019. As at 31 March 2019, 15,543,300 ordinary shares were still retained as treasury shares in the Company.

There were no new ordinary shares issued under the Employees' Share Option Scheme ("ESOS") for the current quarter ended 31 March 2019. As at 31 March 2019, a total of 4,102,000 new ordinary shares have been issued under the ESOS.

7. DIVIDEND PAID

There were no dividend paid during the period under review.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

NOTES TO QUARTERLY REPORT

8 SEGMENTAL INFORMATION

QUARTERLY AND YEAR-TO-DATE RESULTS:

<u>Q1 2019 AND 3 MONTHS ENDED</u> <u>31-MAR-19:</u>	Construction			Trading, Manufacturing	Adjustments and eliminations	Total
	contracts	Property	Power	and others		RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE :						
External customers	68,936	5,981	14,365	10,811	-	100,093
Inter-segment	-	239	473	2,816	(3,528)	-
Total revenue	68,936	6,220	14,838	13,627	(3,528)	100,093
RESULTS :						
Included in the measure of segment profit/(loss) are:						
Profit/(Loss) before tax	2,564	942	(40,416)	(4,385)	-	(41,295)
Interest income	450	21	527	1,521	-	2,519
Interest expenses	(5,329)	(64)	(3,703)	(4,457)	-	(13,553)
Depreciation and amortisation	(1,432)	(326)	(4,187)	(622)	-	(6,567)
Share of loss of associates	109	-	(44,710)	-	-	(44,601)
ESOS expenses	(183)	-	-	-	-	(183)
Income tax expenses	-	(305)	-	-	-	(305)
Profit/(Loss) after tax	2,564	637	(40,416)	(4,385)	-	(41,600)
Assets :						
Investment in associates	4,319	-	23,294	-	-	27,613
Additions to non-current assets [^]	-	10	28	314	-	352
Segment assets	846,540	246,912	519,506	689,759	(771,408)	1,531,309
Segment liabilities :	723,596	117,313	487,521	300,000	(298,797)	1,329,633
Q1 2018 AND 3 MONTHS ENDED						
31-MAR-18:						
REVENUE :						
External customers	116,163	2,739	60,902	7,563	-	187,367
Inter-segment	50,107	367	-	5,568	(56,042)	-
Total revenue	166,270	3,106	60,902	13,131	(56,042)	187,367
RESULTS :						
Included in the measure of segment profit/(loss) are:						
Profit/(Loss) before tax	2,779	754	(30,562)	(5,985)	-	(33,014)
Interest income	992	21	2,417	944	-	4,374
Interest expenses	(5,724)	(43)	(499)	(4,153)	-	(10,419)
Depreciation and amortisation	(2,791)	(349)	(1,113)	(484)	-	(4,737)
Share of loss of associates	36	-	(36,385)	-	-	(36,349)
ESOS expenses	(297)	-	-	-	-	(297)
Income tax expenses	266	(837)	(213)	(499)	-	(1,283)
Profit/(Loss) after tax	3,045	(83)	(30,775)	(6,484)	-	(34,297)
Assets :						
Investment in associates	3,952	-	388,980	-	-	392,932
Additions to non-current assets [^]	2,745	6	57,299	437	-	60,487
Segment assets	1,745,435	246,893	452,283	678,045	(1,159,654)	1,963,002
Segment liabilities :	870,816	98,989	435,949	268,554	(326,012)	1,348,296

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

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



QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

NOTES TO QUARTERLY REPORT

9. RELATED PARTIES TRANSACTIONS

Below are the significant related party transactions, which have been established under negotiated terms and entered into in the normal course of business:

	3 MONTHS ENDED 31-MAR-19 RM'000	3 MONTHS ENDED 31-MAR-18 RM'000
Associates		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	635	627
Secondment fee	93	95
	<hr/>	<hr/>
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	632	632
Secondment fee	45	47
Corporate guarantee fee	74	87
Repayments	(111)	(1,473)
	<hr/>	<hr/>
Other related party		
A company related to directors		
<i>Mulpha Group Services Sdn Bhd</i>		
Rental income	235	235
Rental expenses	(269)	(188)
	<hr/>	<hr/>

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

There were no changes in the composition of the Group during the current period under review.

13. CONTINGENT LIABILITIES

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



QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE

QUARTERLY AND YEAR-TO-DATE ANALYSIS:

	Individual Quarter			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	31-MAR-19	31-MAR-18	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	100,093	187,367	(87,274)	(47)
Profit from operations	19,612	15,196	4,416	29
Loss before interest and tax	(27,742)	(22,595)	(5,147)	23
Loss before tax	(41,295)	(33,014)	(8,281)	25
Loss after tax	(41,600)	(34,297)	(7,303)	21
Loss attributable to owners of the Company	(42,263)	(33,690)	(8,573)	25

The Group reported revenue of RM100.1 million and loss before tax ("LBT") of RM41.3 million in current quarter as compared to revenue of RM187.4 million and LBT of RM33.0 million in the corresponding quarter of 2018. Lower revenue in current quarter was mainly due to completion of the 49MW solar photovoltaic energy plant development at Sungai Siput, Perak in November 2018 and certain Pengerang projects by end of 2018. Higher LBT reported in current quarter was mainly due to share of losses from associated company, RKM Powergen Pvt Ltd.

The performance of the respective business segments is as follow:

Construction segment: This segment reported revenue and profit before tax ("PBT") of RM68.9 million and RM2.6 million respectively in current quarter as compared to revenue of RM116.2 million and PBT of RM2.8 million in the previous year corresponding quarter. Lower revenue and PBT in current quarter was mainly due to completion of certain Pengerang projects in the 4th quarter of 2018 and slow progress of LRT3 project.

Property segment: This segment reported revenue and PBT of RM6.0 million and RM0.9 million respectively in current quarter as compared to revenue of RM2.7 million and PBT of RM0.8 million in the previous year corresponding quarter. Higher revenue in current quarter was mainly due to properties sales in Batu Kawah New Township, Kuching which were offset by lower rental income from Menara Mudajaya. Consequently, PBT was at a similar level despite increase in revenue in current quarter.

Power segment: This segment reported revenue and LBT of RM14.4 million and RM40.4 million respectively in current quarter as compared to revenue of RM60.9 million and LBT of RM30.6 million in the previous year corresponding quarter. Revenue from this segment was derived from solar power sales from both 49MW and 10MW solar photovoltaic energy plant at Sungai Siput, Perak and Gebeng, Pahang respectively. Lower revenue in current quarter was mainly due to the completion of the 49MW solar photovoltaic energy plant development at Sungai Siput, Perak in November 2018 whilst higher LBT reported in current quarter was due to share of losses from associated company, RKM Powergen Pvt Ltd.

Other segment: This segment comprises primarily manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM10.8 million and RM4.4 million respectively in current quarter as compared to revenue of RM7.6 million and LBT of RM6.0 million in the previous year corresponding quarter. Improvement in revenue and LBT in current quarter was attributable to higher sales in manufacturing and trading divisions.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

NOTES TO QUARTERLY REPORT

15. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter	Immediate Preceding Quarter	Changes	
	31-MAR-19 RM'000	31-DEC-18 RM'000	RM'000	%
Revenue	100,093	125,737	(25,644)	(20)
Profit from operations	19,612	6,146	13,466	219
Loss before interest and tax	(27,742)	(224,795)	197,053	(88)
Loss before tax	(41,295)	(236,468)	195,173	(83)
Loss after tax	(41,600)	(242,896)	201,296	(83)
Loss attributable to owners of the Company	(42,263)	(235,247)	192,984	(82)

The Group reported revenue of RM100.1 million and loss before tax ("LBT") of RM41.3 million in current quarter as compared to revenue of RM125.7 million and LBT of RM236.5 million in the immediate preceding quarter. Lower revenue in current quarter was mainly due to slow progress of LRT3 project whilst lower LBT in current quarter was mainly due to the impairment on investment in RKM made in the preceding quarter.

16. PROSPECTS

The outlook of the construction segment is turning positive with the revival of East Coast Rail Line ("ECRL") and Bandar Malaysia projects. The management is confident that the Group is in good position of winning new contracts given its vast experience and competitiveness in the construction segment. In addition, the Group's total order book of RM1.7 billion as at the reporting date is expected to sustain its operations over 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 even though all 4 units of the IPP development have achieved commercial operation. The proposed resolution plan as disclosed under Note 1, is currently being reviewed by various consultants and stakeholders. As at to-date, RKM is supplying up to 350 Mega Watts ("MW") power to several power distribution companies in the State of Uttar Pradesh pursuant to the Power Purchase Agreement dated 15 March 2016. 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 entered into a conditional Share Sale and Purchase Agreement on 28 February 2018 for the proposed disposal of 7.07% equity interest in RKM. Upon completion of the Disposal, the Group's exposure in the investment will be reduced accordingly.

In terms of new investment, the Group will continue to pursue investments both locally and overseas to build up its concession asset base with recurring income streams to cushion against the cyclical nature of the construction business. It will also expand on its precast concrete manufacturing business to capitalize on the increasing demand from various mega-infrastructure projects.

17. VARIANCE ON PROFIT FORECAST

Not applicable.

18. INCOME TAX EXPENSE

	CURRENT QUARTER ENDED 31-MAR-19 RM'000	3 MONTHS ENDED 31-MAR-19 RM'000
Current income tax:		
- Malaysian income tax	(305)	(305)

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

19. STATUS OF CORPORATE PROPOSALS

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



QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

NOTES TO QUARTERLY REPORT

20. GROUP BORROWINGS AND DEBT SECURITIES

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

As at 31 March 2019				
	Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured				
<i>Revolving credits</i>	Floating	-	113,500	113,500
<i>Invoice financing</i>	Floating	-	28,403	28,403
<i>Finance lease liabilities</i>	Fixed	2,639	4,576	7,215
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	204,228	-	204,228
<i>Term loan denominated in RM</i>	Fixed/Floating	24,305	6,435	30,740
<i>Green SRI Sukuk Wakalah</i>	Fixed	190,000	-	190,000
		421,172	152,914	574,086
Unsecured				
<i>Revolving credits</i>	Floating	-	34,000	34,000
<i>Bankers' acceptance</i>	Floating	-	12,924	12,924
<i>Euro Medium Term Notes ("EMTN") denominated in USD (USD60 million)</i>	Fixed	-	245,074	245,074
		-	291,998	291,998
Total Group's borrowings		421,172	444,912	866,084

As at 31 March 2018				
	Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured				
<i>Revolving credit</i>	Floating	-	104,500	104,500
<i>Finance lease liabilities</i>	Fixed	5,833	4,333	10,166
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	-	199,363	199,363
<i>Term loan denominated in RM</i>	Floating	30,665	179	30,844
<i>Green SRI Sukuk Wakalah</i>	Fixed	170,000	-	170,000
		206,498	308,375	514,873
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	231,960	-	231,960
		231,960	160,000	391,960
Total Group's borrowings		438,458	468,375	906,833

(ii) Total borrowings reduced from RM906.8 million as at 31 March 2018 to RM866.1 million as at 31 March 2019 mainly due to redemption of IMTN amounted to RM120 million after offsetting the drawdown of other banking facilities.

(iii) Total repayment of borrowings during the period ended 31 March 2019 amounted to RM79.1 million with an estimated net interest savings of RM3.9 million per annum.

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



QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

NOTES TO QUARTERLY REPORT

21. FINANCIAL RISK MANAGEMENT

The Group has exposure on credit risk from its receivables:

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

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

	AS AT 31-Mar-19 RM'000
Neither past due nor impaired	67,720
1 to 30 days past due but not impaired	6,234
31 to 60 days past due but not impaired	1,276
61 to 90 days past due but not impaired	6,178
91 to 120 days past due but not impaired	2,917
More than 120 days are past due but not impaired	157,938
	174,543
Less: Impairment losses on trade receivables	(46,474)
	<u>195,789</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 RM106.1 million.

22. CHANGES IN MATERIAL LITIGATION

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

23. DIVIDEND

There were no dividend declared during the period ended 31 March 2019.

24. BASIC EARNINGS PER SHARE

The 'Basic and Diluted loss per share' for the current quarter and the cumulative period are calculated by dividing the loss for the period attributable to owners of the Company by the 'Weighted Average' number of ordinary shares in issue during the period respectively, excluding treasury shares held by the Company.

	CURRENT QUARTER ENDED 31-MAR-19	3 MONTHS ENDED 31-MAR-19
<u>Basic and Diluted loss per share:-</u>		
(a) Loss for the period attributable to owners of the Company (RM'000)	<u>(42,263)</u>	<u>(42,263)</u>
(b) Weighted average number of ordinary shares ('000)	589,914	589,914
Basic and diluted loss per share (sen)	<u>(7.16)</u>	<u>(7.16)</u>