

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	30-JUN-19	QUARTER	30-JUN-19	PERIOD
	RM'000	30-JUN-18	RM'000	30-JUN-18
		RM'000		RM'000
Continuing Operations				
Revenue	86,054	301,378	186,147	488,745
Operating expenses	(77,696)	(287,196)	(157,575)	(459,367)
Profit from operations	8,358	14,182	28,572	29,378
Interest income	3,704	4,385	6,858	8,759
Other income	649	475	2,020	940
Foreign exchange gain/(loss)	(2,063)	(7,013)	5,539	(14,432)
Fair value gain/(loss) on derivative	2,677	9,158	(5,946)	13,481
Depreciation and amortization	(7,133)	(4,739)	(14,302)	(9,476)
Gain on disposal of property, plant and equipment	2	680	(7)	1,771
ESOS expenses	(183)	(297)	(366)	(594)
Net loss on impairment of financial instruments	(11,191)	-	(11,826)	-
Interest expense	(13,573)	(11,258)	(27,126)	(21,677)
Share of results of associates, net	(11,591)	(84,136)	(56,192)	(120,485)
Reversal of unrealised profit adjustment	-	1,644	1,137	2,402
Loss before tax	(30,344)	(76,919)	(71,639)	(109,933)
Income tax expense	(490)	459	(795)	(824)
Loss after tax	(30,834)	(76,460)	(72,434)	(110,757)
Other comprehensive expenses:				
Foreign currency translation differences	1,062	(1,025)	(359)	(402)
Total comprehensive expense	(29,772)	(77,485)	(72,793)	(111,159)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2019 (CONT'D)**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	30-JUN-19	QUARTER	30-JUN-19	PERIOD
	RM'000	30-JUN-18	RM'000	30-JUN-18
		RM'000		RM'000
Profit/(Loss) attributable to:				
Owners of the Company	(31,585)	(77,706)	(73,848)	(111,396)
Non-controlling interest	751	1,246	1,414	639
	<u>(30,834)</u>	<u>(76,460)</u>	<u>(72,434)</u>	<u>(110,757)</u>
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(30,674)	(77,440)	(73,918)	(111,791)
Non-controlling interest	902	(45)	1,125	632
	<u>(29,772)</u>	<u>(77,485)</u>	<u>(72,793)</u>	<u>(111,159)</u>
Loss per share (sen) attributable to equity holders of the Company:				
Basic and diluted loss per share (sen)	<u>(5.35)</u>	<u>(13.17)</u>	<u>(12.52)</u>	<u>(18.88)</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 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.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019
(The figures have not been audited)

	AS AT 30-JUN-19 RM'000	AS AT 31-DEC-18 RM'000
Assets		
Property, plant and equipment	37,456	42,903
Investment properties	52,524	50,441
Intangible asset	9,603	9,913
Service concession assets	316,398	323,691
Right of use assets	45,942	-
Investment in associates	16,035	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	485,737	506,182
Inventories	130,299	132,915
Contract assets	83,025	71,969
Contract costs	-	68
Trade and other receivables	258,162	332,500
Other current assets	199,587	199,587
Tax recoverable	14,724	16,335
Derivative financial assets	1,056	7,002
Cash and bank balances	292,591	330,722
Total current assets	979,444	1,091,098
Total assets	1,465,181	1,597,280
Equity		
Share capital	393,172	393,172
Treasury shares	(36,075)	(36,075)
Employees' share option reserve	10,093	9,727
Foreign currency translation reserve	(14,636)	(14,566)
Retained earnings	(210,152)	(136,304)
Equity attributable to owners of the Company	142,402	215,954
Non-controlling interests	29,685	28,560
Total equity	172,087	244,514
Liabilities		
Lease liability	45,872	-
Loans and borrowings	476,231	426,504
Refundable deposits	3,703	1,717
Deferred tax liabilities	7,281	7,281
Deferred income	5,659	5,659
Total non-current liabilities	538,746	441,161
Lease liability	870	-
Trade and other payables	307,215	403,567
Contract liabilities	23,536	41,490
Tax liabilities	1	12
Loans and borrowings	422,726	466,536
Total current liabilities	754,348	911,605
Total liabilities	1,293,094	1,352,766
Total equity and liabilities	1,465,181	1,597,280
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.24	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 SECOND QUARTER ENDED 30 JUNE 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	-	-	-	(70)	-	(70)	(289)	(359)
(Loss)/Profit for the period	-	-	-	-	(73,848)	(73,848)	1,414	(72,434)
Total comprehensive income/(expense)	-	-	-	(70)	(73,848)	(73,918)	1,125	(72,793)
Contribution by and distributions to owners of the Company								
Share-based payment transaction	-	366	-	-	-	366	-	366
Total transactions with owners of the Company	-	366	-	-	-	366	-	366
At 30 June 2019	393,172	10,093	(36,075)	(14,636)	(210,152)	142,402	29,685	172,087
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	-	-	-	(395)	-	(395)	(7)	(402)
(Loss)/Profit for the period	-	-	-	-	(111,396)	(111,396)	639	(110,757)
Total comprehensive income/(expense)	-	-	-	(395)	(111,396)	(111,791)	632	(111,159)
Contribution by and distributions to owners of the Company								
Share-based payment transaction	-	594	-	-	-	594	-	594
Repurchase of ordinary shares	-	-	(844)	-	-	(844)	-	(844)
Total transactions with owners of the Company	-	594	(844)	-	-	(250)	-	(250)
At 30 June 2018	393,172	10,168	(36,071)	(13,925)	144,937	498,281	35,944	534,225

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

(The figures have not been audited)

	6 MONTHS ENDED	
	30-JUN-19	30-JUN-18
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(71,639)	(109,933)
Adjustments for:		
Amortisation of intangible asset	310	310
Amortisation of service concession assets	8,056	1,916
Depreciation of investment property	523	500
Depreciation of property, plant and equipment	4,210	6,750
Depreciation of right of use assets	1,203	-
ESOS expenses	366	594
(Gain)/Loss on disposal of property, plant and equipment	7	(1,771)
Fair value (gain)/loss on derivative	5,946	(13,481)
Interest income	(6,858)	(8,759)
Interest expense	27,126	21,677
Net loss on impairment of financial instruments	11,826	-
Share of results of equity accounted associates	56,192	120,485
Reversal of unrealised profit adjustment	(1,137)	(2,402)
Property, plant and equipment written off	-	281
Unrealised (gain)/loss on foreign exchange	(6,736)	13,750
Operating profit before working capital changes	29,395	29,917
Changes in working capital:		
Right of use	(47,145)	-
Inventories	2,616	337
Contract assets	(11,056)	-
Contract costs	68	-
Property development costs	-	(18,979)
Trade and other receivables	65,116	2,960
Lease liability	46,742	-
Trade and other payables	(92,908)	56,464
Contract liabilities	(17,954)	-
Cash generated from operations	(25,126)	70,699
Tax paid	(2,372)	(2,515)
Tax refunded	2,120	403
Net cash (used in)/generated from operating activities	(25,378)	68,587

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2019 (CONT'D)**

(The figures have not been audited)

	6 MONTHS ENDED	
	30-JUN-19	30-JUN-18
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in service concession assets	(763)	(208,827)
Interest received	6,858	8,759
Advance to an associate	(156)	-
Purchase of property, plant and equipment	(1,606)	(3,232)
Proceeds from disposal of property, plant and equipment	230	1,916
Change in pledged deposits	7,692	7,776
Net cash generated from/(used in) investing activities	12,255	(193,608)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(27,126)	(21,677)
Net drawdown of loans and borrowings	14,064	170,053
Repayment of finance lease liabilities	(2,470)	(889)
Repayment to an associate	(1,784)	(425)
Share buyback	-	(844)
Net cash (used in)/generated from financing activities	(17,316)	146,218
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(30,439)	21,197
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	69,649	247,416
Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise:		
Cash and bank balances	26,646	100,305
Deposits placed with financial institutions	265,945	369,969
	292,591	470,274
Less:		
Pledged deposits	(222,942)	(222,858)
	69,649	247,416

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 SECOND QUARTER ENDED 30 JUNE 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 30 June 2019 with its year end audit still ongoing, the Group relied on RKM’s unaudited management accounts for the period ended 30 June 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. As at 30 June 2019, the Group has equity accounted for RKM’s losses up to its interest in RKM, which has resulted in the carrying amount of investment in RKM being adjusted to nil at that date.

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



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

NOTES TO QUARTERLY REPORT

1. BASIS OF PREPARATION

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.

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.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

NOTES TO QUARTERLY REPORT

4. EXCEPTIONAL OR EXTRAORDINARY ITEMS

There were no exceptional or extraordinary items for the current period.

5. CHANGES IN ESTIMATES

There were no changes in estimates of amount reported in previous financial year that have a material effect in the current quarter.

6. DEBTS AND EQUITY SECURITIES

There were no purchase of share in the market during the current quarter ended 30 June 2019. As at 30 June 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 30 June 2019. As at 30 June 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 SECOND QUARTER ENDED 30 JUNE 2019

NOTES TO QUARTERLY REPORT

8 SEGMENTAL INFORMATION

QUARTERLY RESULTS:

Q2 2019	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	54,591	6,076	11,483	13,904	-	86,054
Inter-segment	-	504	462	3,803	(4,769)	-
Total revenue	54,591	6,580	11,945	17,707	(4,769)	86,054

RESULTS :

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

(Loss)/Profit before tax	(8,587)	2,102	(18,613)	(4,681)	(565)	(30,344)
Interest income	927	29	1,224	1,524	-	3,704
Interest expenses	(4,509)	(61)	(4,487)	(4,516)	-	(13,573)
Depreciation and amortisation	(1,325)	(375)	(4,818)	(615)	-	(7,133)
Share of loss of associates	149	-	(11,740)	-	-	(11,591)
ESOS expenses	(183)	-	-	-	-	(183)
Income tax expenses	-	(379)	(111)	-	-	(490)
(Loss)/Profit after tax	(8,587)	1,723	(18,724)	(4,681)	(565)	(30,834)

Q2 2018

REVENUE :

External customers	102,055	3,161	184,521	11,641	-	301,378
Inter-segment	168,378	16,846	-	1,838	(187,062)	-
Total revenue	270,433	20,007	184,521	13,479	(187,062)	301,378

RESULTS :

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

Profit/(Loss) before tax	541	(69)	(70,269)	(7,122)	-	(76,919)
Interest income	740	19	2,590	1,036	-	4,385
Interest expenses	(6,536)	(44)	(500)	(4,178)	-	(11,258)
Depreciation and amortisation	(2,631)	(345)	(1,113)	(650)	-	(4,739)
Share of loss of associates	58	-	(84,194)	-	-	(84,136)
ESOS expenses	(297)	-	-	-	-	(297)
Income tax expenses	-	(340)	205	594	-	459
Profit/(Loss) after tax	541	(409)	(70,064)	(6,528)	-	(76,460)



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

NOTES TO QUARTERLY REPORT

8 SEGMENTAL INFORMATION (CONT'D)

YEAR-TO-DATE RESULTS:

6 MONTHS ENDED 30-JUN-19

	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	123,527	12,057	25,848	24,715	-	186,147
Inter-segment	-	743	935	6,619	(8,297)	-
Total revenue	123,527	12,800	26,783	31,334	(8,297)	186,147

RESULTS :

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

Profit/(Loss) before tax	(6,023)	3,044	(59,029)	(9,066)	(565)	(71,639)
Interest income	1,377	50	2,386	3,045	-	6,858
Interest expenses	(9,838)	(125)	(8,190)	(8,973)	-	(27,126)
Depreciation and amortisation	(2,757)	(701)	(9,607)	(1,237)	-	(14,302)
Share of profit/(loss) of associates	258	-	(56,450)	-	-	(56,192)
ESOS expenses	(366)	-	-	-	-	(366)
Income tax expenses	-	(684)	(111)	-	-	(795)
Profit/(Loss) after tax	(6,023)	2,360	(59,140)	(9,066)	(565)	(72,434)

Assets :

Investment in associates	4,469	-	11,566	-	-	16,035
Additions to non-current assets [^]	6	753	795	815	-	2,369
Segment assets	769,483	237,686	510,953	678,896	(731,837)	1,465,181

Segment liabilities :

	661,934	110,551	480,991	289,625	(250,007)	1,293,094
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6 MONTHS ENDED 30-JUN-18

REVENUE :

External customers	218,218	5,900	245,423	19,204	-	488,745
Inter-segment	218,485	17,213	-	7,406	(243,104)	-
Total revenue	436,703	23,113	245,423	26,610	(243,104)	488,745

RESULTS :

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

Profit/(Loss) before tax	3,320	685	(100,831)	(13,107)	-	(109,933)
Interest income	1,732	40	5,007	1,980	-	8,759
Interest expenses	(12,260)	(87)	(999)	(8,331)	-	(21,677)
Depreciation and amortisation	(5,422)	(694)	(2,226)	(1,134)	-	(9,476)
Share of loss of associates	94	-	(120,579)	-	-	(120,485)
ESOS expenses	(594)	-	-	-	-	(594)
Income tax expenses	266	(1,177)	(8)	95	-	(824)
Profit/(Loss) after tax	3,586	(492)	(100,839)	(13,012)	-	(110,757)

Assets :

Investment in associates	4,009	-	304,962	-	-	308,971
Additions to non-current assets [^]	3,560	7	239,645	1,686	-	244,898
Segment assets	1,523,468	222,853	466,292	701,141	(949,357)	1,964,397

Segment liabilities :

	946,383	95,615	439,454	294,533	(349,099)	1,426,886
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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 SECOND QUARTER ENDED 30 JUNE 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:

	6 MONTHS ENDED 30-JUN-19 RM'000	6 MONTHS ENDED 30-JUN-18 RM'000
Associates		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	1,284	1,258
Secondment fee	<u>172</u>	<u>175</u>
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	1,264	1,264
Secondment fee	78	78
Corporate guarantee fee	<u>148</u>	<u>175</u>
Other related parties		
A company related to directors		
<i>Mulpha International Berhad</i>		
Rental income	<u>26</u>	<u>-</u>
<i>Mulpha Group Services Sdn Bhd</i>		
Rental income	472	470
Rental expense	<u>(269)</u>	<u>(372)</u>

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 SECOND QUARTER ENDED 30 JUNE 2019

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE

QUARTERLY ANALYSIS:

	Individual Quarter			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	30-JUN-19	30-JUN-18	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	86,054	301,378	(215,324)	(71)
Profit from operations	8,358	14,182	(5,824)	(41)
Loss before interest and tax	(16,771)	(65,661)	48,890	(74)
Loss before tax	(30,344)	(76,919)	46,575	(61)
Loss after tax	(30,834)	(76,460)	45,626	(60)
Loss attributable to owners of the Company	(31,585)	(77,706)	46,121	(59)

The Group reported revenue of RM86.1 million and loss before tax ("LBT") of RM30.3 million in current quarter as compared to revenue of RM301.4million and loss before tax of RM76.9 million in the corresponding quarter of 2018. Lower revenue reported in current quarter was mainly due to completion of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak in November 2018 and slow progress of LRT3 project. Lower LBT in current quarter was mainly attributable to lower share of losses from RKM.

The performance of the respective business segments is as follow:

Construction segment: This segment reported revenue and loss before tax ("LBT") of RM54.6 million and RM8.6 million respectively in current quarter as compared to revenue of RM102.0 million and PBT of RM0.5 million in the previous year corresponding quarter. Lower revenue in current quarter was mainly due to slow progress of LRT3 project whilst LBT in current quarter was attributable to additional costs of RM7.1 million for Pengerang projects.

Property segment: This segment reported revenue and PBT of RM6.1 million and RM2.1 million respectively in current quarter as compared to revenue of RM3.2 million and PBT of RM0.1 million in the previous year corresponding quarter. Higher revenue and PBT in current quarter were mainly attributable to higher sales of properties in Batu Kawah New Township, Kuching.

Power segment: This segment reported revenue and LBT of RM11.5 million and RM18.6 million respectively in current quarter as compared to revenue of RM184.5 million and LBT of RM70.3 million in the previous year corresponding quarter. Lower revenue reported in current quarter was due to completion of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak in November 2018. Lower LBT in current quarter was due to lower share of RKM's losses as it was capped to the carrying value of investment in RKM as at 31 March 2019. As at 30 June 2019, the Group has equity accounted for RKM's losses up to its interest in RKM, which has resulted in the carrying amount of investment in RKM being adjusted to nil at that date.

Other segment: This segment comprises primarily manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM13.9 million and RM4.7 million respectively in current quarter as compared to revenue of RM11.6 million and LBT of RM7.1 million in the previous year corresponding quarter. Improvement in revenue and LBT in current quarter were attributable to higher sales in precast manufacturing operation.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE (CONT'D)

YEAR-TO-DATE ANALYSIS:

	Cumulative Period			
	Current Year To-date	Preceding Year Corresponding Period		
	30-JUN-19	30-JUN-18	Changes	
	RM'000	RM'000	RM'000	%
Revenue	186,147	488,745	(302,598)	(62)
Profit from operations	28,572	29,378	(806)	(3)
Loss before interest and tax	(44,513)	(88,256)	43,743	(50)
Loss before tax	(71,639)	(109,933)	38,294	(35)
Loss after tax	(72,434)	(110,757)	38,323	(35)
Loss attributable to owners of the Company	(72,434)	(111,396)	38,962	(35)

The Group reported revenue of RM186.1 million and LBT of RM71.6 million for the period ended 30 June 2019 as compared to revenue of RM488.7 million and LBT of RM109.9 million for the previous year corresponding period ended 30 June 2018. Lower revenue in current period was mainly due to completion of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak in November 2018 and slow progress of LRT3 project. Lower LBT in current period was mainly attributable to lower share of losses from RKM.

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

Construction segment : This segment reported revenue and LBT of RM123.5 million and RM6.0 million in current period as compared to revenue of RM218.2 million and PBT of RM3.3 million in the previous year corresponding period respectively. Lower revenue in current period was mainly due to slow progress of LRT3 project whilst LBT in current period was mainly due to additional costs of RM7.1 million for Pengerang projects.

Property segment : This segment reported revenue and PBT of RM12.1 million and RM3.0 million in current period as compared to revenue of RM5.9 million and PBT of RM0.7 million in the previous year corresponding period respectively. Higher revenue and PBT were mainly due to higher sales of properties in Batu Kawah New Township, Kuching.

Power segment : This segment reported revenue and LBT of RM25.8 million and RM59.0 million in current period as compared to revenue of RM245.4 million and LBT of RM100.8 million in the previous year corresponding period respectively. Lower revenue in current period was mainly due to completion of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak in November 2018 whilst lower LBT in current period was due to lower share of RKM's losses which was capped to the carrying value of investment in RKM as at 31 March 2019. As at 30 June 2019, the Group has equity accounted for RKM's losses up to its interest in RKM, which has resulted in the carrying amount of investment in RKM being adjusted to nil at that date.

Others segment : This segment comprises primarily the manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM24.7 million and RM9.1 million in current period as compared to revenue of RM19.2 million and LBT of RM13.1 million in the previous year corresponding period respectively. Improvement in revenue and LBT in current period were attributable to higher sales in precast manufacturing operation.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

NOTES TO QUARTERLY REPORT

15. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 30-JUN-19	Immediate Preceding Quarter 31-MAR-19	Changes	
	RM'000	RM'000	RM'000	%
Revenue	86,054	100,093	(14,039)	(14)
Profit from operations	8,358	19,612	(11,254)	(57)
Loss before interest and tax	(16,771)	(27,742)	10,971	(40)
Loss before tax	(30,344)	(41,295)	10,951	(27)
Loss after tax	(30,834)	(41,600)	10,766	(26)
Loss attributable to owners of the Company	(31,585)	(41,263)	9,678	(23)

The Group reported revenue of RM86.1 million and LBT of RM30.3 million in current quarter as compared to revenue of RM100.09 million and LBT of RM41.3 million in the preceding quarter. Lower revenue in current quarter was mainly due to slow progress of LRT3 project whilst lower LBT in current quarter was attributable to lower share of losses in RKM.

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 RM1.6 billion as at the reporting date is expected to sustain its operations over next 2 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 and deliberated by lenders. 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 and the proposed disposal is pending fulfilment of certain conditions precedent. As at 30 June 2019, the Group has equity accounted for RKM's losses up to its interest in RKM, which has resulted in the carrying amount of investment in RKM being adjusted to nil at that date.

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. The Group is keen to expand its footage in the renewable energy sector and will be participating in the upcoming large scale solar farm projects.

17. VARIANCE ON PROFIT FORECAST

Not applicable.

18. INCOME TAX EXPENSE

	CURRENT QUARTER ENDED 30-JUN-19 RM'000	6 MONTHS ENDED 30-JUN-19 RM'000
Current income tax:		
- Malaysian income tax	490	795

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 from its associates.

19. STATUS OF CORPORATE PROPOSALS

On 11 July 2019, the Company proposed to undertake a private placement of up to 10% of the total number of issued shares of the Company to third party investor(s) to be identified later and the proposal is currently pending Bursa's approval.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

NOTES TO QUARTERLY REPORT

20. GROUP BORROWINGS AND DEBT SECURITIES

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

As at 30 June 2019				
Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000	
Secured				
<i>Revolving credits</i>	Floating	-	126,500	126,500
<i>Invoice financing</i>	Floating	-	25,919	25,919
<i>Finance lease liabilities</i>	Fixed	1,737	4,316	6,053
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	206,721	-	206,721
<i>Term loan denominated in RM</i>	Fixed/Floating	22,773	6,434	29,207
<i>Green SRI Sukuk Wakalah</i>	Fixed	245,000	-	245,000
		<u>476,231</u>	<u>163,169</u>	<u>639,400</u>
Unsecured				
<i>Revolving credits</i>	Floating	-	4,000	4,000
<i>Bankers' acceptance</i>	Floating	-	7,492	7,492
<i>Euro Medium Term Notes ("EMTN") denominated in USD (USD60 million)</i>	Fixed	-	248,065	248,065
		-	<u>259,557</u>	<u>259,557</u>
Total Group's borrowings		<u>476,231</u>	<u>422,726</u>	<u>898,957</u>

As at 30 June 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	5,505	4,509	10,014
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	-	201,683	201,683
<i>Term loan denominated in RM</i>	Fixed/Floating	29,106	6,259	35,365
<i>Green SRI Sukuk Wakalah</i>	Fixed	180,000	-	180,000
		<u>214,611</u>	<u>316,951</u>	<u>531,562</u>
Unsecured				
<i>Invoice financing</i>	Floating	-	1,924	1,924
<i>Revolving credits</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	242,019	-	242,019
		<u>242,019</u>	<u>161,924</u>	<u>403,943</u>
Total Group's borrowings		<u>456,630</u>	<u>478,875</u>	<u>935,505</u>

(ii) Total borrowings decreased from RM935.5 million as at 30 June 2018 to RM899.0 million as at 30 June 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 30 June 2019 amounted to RM73.5 million with an estimated net interest savings of RM3.5 million per annum.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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
	30-Jun-19
	RM'000
Neither past due nor impaired	68,839
1 to 30 days past due but not impaired	7,306
31 to 60 days past due but not impaired	857
61 to 90 days past due but not impaired	6,594
91 to 120 days past due but not impaired	27
More than 120 days are past due but not impaired	152,554
	167,338
Trade receivables that are impaired	(44,885)
	<u>191,292</u>

Trade receivables are non-interest bearing and generally on 30 days to 90 days terms to third party and 30 days terms to related party.

Included in trade receivables (more than 120 days are past due but not impaired) is the amount due from an associate of RM 107.3 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 June 2019.

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	6 MONTHS
	QUARTER	ENDED
	ENDED	ENDED
	30-JUN-19	30-JUN-19
<u>Basic and Diluted loss per share:-</u>		
(a) Loss for the period attributable to owners of the Company (RM'000)	<u>(31,585)</u>	<u>(73,848)</u>
(b) Weighted average number of ordinary shares ('000)	589,914	589,914
Basic and diluted loss per share (sen)	<u>(5.35)</u>	<u>(12.52)</u>