

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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-SEP-19	QUARTER	30-SEP-19	PERIOD
	RM'000	30-SEP-18	RM'000	30-SEP-18
		RM'000		RM'000
Continuing Operations				
Revenue	110,177	148,181	296,324	636,926
Operating expenses	(89,810)	(136,912)	(247,385)	(596,279)
Profit from operations	20,367	11,269	48,939	40,647
Interest income	2,421	3,929	9,279	12,688
Other income	783	599	2,803	1,539
Foreign exchange gain/(loss)	(2,140)	(5,050)	3,399	(4,282)
Fair value gain/(loss) on derivative	2,638	5,511	(3,308)	3,792
Depreciation and amortization	(7,127)	(4,095)	(21,429)	(13,571)
Gain on disposal of property, plant and equipment	270	358	263	2,129
ESOS expenses	(183)	(298)	(549)	(892)
Net loss on impairment of financial instruments	(1,437)	-	(13,263)	-
Interest expense	(13,492)	(10,915)	(40,618)	(32,592)
Share of results of associates, net	339	(45,282)	(55,853)	(165,767)
Reversal of unrealised profit adjustment	-	1,133	1,137	3,535
Profit/(Loss) before tax	2,439	(42,841)	(69,200)	(152,774)
Income tax expense	(699)	(5,946)	(1,494)	(6,770)
Profit/(Loss) after tax	1,740	(48,787)	(70,694)	(159,544)
Other comprehensive expenses:				
Foreign currency translation differences	(306)	(1,029)	(665)	(1,431)
Total comprehensive expense	1,434	(49,816)	(71,359)	(160,975)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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-SEP-19	QUARTER	30-SEP-19	PERIOD
	RM'000	30-SEP-18	RM'000	30-SEP-18
		RM'000		RM'000
Profit/(Loss) attributable to:				
Owners of the Company	812	(49,595)	(73,036)	(160,991)
Non-controlling interest	928	808	2,342	1,447
	<u>1,740</u>	<u>(48,787)</u>	<u>(70,694)</u>	<u>(159,544)</u>
Total comprehensive income/(expense) attributable to:				
Owners of the Company	506	(50,624)	(73,412)	(162,415)
Non-controlling interest	928	808	2,053	1,440
	<u>1,434</u>	<u>(49,816)</u>	<u>(71,359)</u>	<u>(160,975)</u>
Profit/(Loss) per share (sen) attributable to equity holders of the Company:				
Basic and diluted loss per share (sen)	<u>0.14</u>	<u>(8.38)</u>	<u>(12.38)</u>	<u>(27.21)</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 SEPTEMBER 2019
(The figures have not been audited)

	AS AT 30-SEP-19 RM'000	AS AT 31-DEC-18 RM'000
Assets		
Property, plant and equipment	35,690	42,903
Investment properties	52,317	50,441
Intangible asset	9,448	9,913
Service concession assets	313,220	323,691
Right of use assets	45,475	-
Investment in associates	16,374	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	480,303	506,182
Inventories	123,580	132,915
Contract assets	92,336	71,969
Contract costs	-	68
Trade and other receivables	281,985	332,500
Other current assets	199,587	199,587
Tax recoverable	5,375	16,335
Derivative financial assets	3,694	7,002
Cash and bank balances	274,875	330,722
Total current assets	981,432	1,091,098
Total assets	1,461,735	1,597,280
Equity		
Share capital	393,172	393,172
Treasury shares	(36,075)	(36,075)
Employees' share option reserve	10,276	9,727
Foreign currency translation reserve	(14,942)	(14,566)
Retained earnings	(209,340)	(136,304)
Equity attributable to owners of the Company	143,091	215,954
Non-controlling interests	30,613	28,560
Total equity	173,704	244,514
Liabilities		
Lease liability	45,725	-
Loans and borrowings	476,627	426,504
Refundable deposits	3,313	1,717
Deferred tax liabilities	7,281	7,281
Deferred income	5,659	5,659
Total non-current liabilities	538,605	441,161
Lease liability	954	-
Trade and other payables	304,534	403,567
Contract liabilities	17,740	41,490
Tax liabilities	-	12
Loans and borrowings	426,198	466,536
Total current liabilities	749,426	911,605
Total liabilities	1,288,031	1,352,766
Total equity and liabilities	1,461,735	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 THIRD QUARTER ENDED 30 SEPTEMBER 2019
(The figures have not been audited)

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

	Share capital 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 2019	393,172	-	9,727	(36,075)	(14,566)	(136,304)	215,954	28,560	244,514
Foreign currency translation differences for foreign operations	-	-	-	-	(376)	-	(376)	(289)	(665)
(Loss)/Profit for the period	-	-	-	-	-	(73,036)	(73,036)	2,342	(70,694)
Total comprehensive income/(expense)	-	-	-	-	(376)	(73,036)	(73,412)	2,053	(71,359)
Contribution by and distributions to owners of the Company									
Share-based payment transaction	-	-	549	-	-	-	549	-	549
Total transactions with owners of the Company	-	-	549	-	-	-	549	-	549
At 30 September 2019	393,172	-	10,276	(36,075)	(14,942)	(209,340)	143,091	30,613	173,704
At 1 January 2018	393,172	4,900	9,574	(35,227)	(13,773)	306,139	664,785	(15,865)	648,920
Foreign currency translation differences for foreign operations	-	-	-	-	(1,424)	-	(1,424)	(7)	(1,431)
(Loss)/Profit for the period	-	-	-	-	-	(160,991)	(160,991)	1,447	(159,544)
Total comprehensive income/(expense)	-	-	-	-	(1,424)	(160,991)	(162,415)	1,440	(160,975)
Contribution by and distributions to owners of the Company									
Share-based payment transaction	-	-	892	-	-	-	892	-	892
Repurchase of ordinary shares	-	-	-	(844)	-	-	(844)	-	(844)
Total transactions with owners of the Company	-	-	892	(844)	-	-	48	-	48
At 30 September 2018	393,172	4,900	10,466	(36,071)	(15,197)	145,148	502,418	(14,425)	487,993

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

(The figures have not been audited)

	9 MONTHS ENDED	
	30-SEP-19	30-SEP-18
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(69,200)	(152,774)
Adjustments for:		
Amortisation of intangible asset	465	464
Amortisation of service concession assets	12,153	2,873
Depreciation of investment property	784	750
Depreciation of property, plant and equipment	6,203	9,484
Depreciation of right-of-use assets	1,823	-
ESOS expenses	549	892
Gain on disposal of property, plant and equipment	(263)	(2,129)
Fair value (gain)/loss on derivative	3,308	(3,792)
Impairment loss of financial asset	13,263	-
Interest income	(9,279)	(12,688)
Interest expense	40,618	32,592
Share of results of equity accounted associates	55,853	165,767
Property, plant and equipment written off	-	286
Reversal of unrealised profit adjustment	(1,137)	(3,535)
Unrealised (gain)/loss on foreign exchange	(4,114)	3,224
Operating profit before working capital changes	<u>51,026</u>	<u>41,414</u>
Changes in working capital:		
Inventories	9,335	2,127
Contract assets	(20,367)	-
Contract costs	68	-
Property development costs	-	(27,916)
Trade and other receivables	45,384	30,473
Trade and other payables	(95,721)	22,892
Contract liabilities	(23,750)	-
Cash generated from operations	<u>(34,025)</u>	<u>68,990</u>
Tax paid	(3,419)	(4,760)
Tax refunded	<u>11,816</u>	<u>403</u>
Net cash (used in)/generated from operating activities	<u>(25,628)</u>	<u>64,633</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019 (CONT'D)

(The figures have not been audited)

	9 MONTHS ENDED	
	30-SEP-19	30-SEP-18
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional expenditure in investment property	(24)	-
Addition in other investment	-	(35)
Addition in service concession assets	(1,682)	(234,542)
Advance to an associate	(5,240)	-
Interest received	9,279	12,688
Purchase of property, plant and equipment	(1,942)	(2,685)
Proceeds from disposal of property, plant and equipment	578	2,231
Change in pledged deposits	8,005	(2,684)
Net cash generated from/(used in) investing activities	8,974	(225,027)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment from/(to) an associate	723	(1,682)
Interest paid	(38,727)	(32,592)
Interest on lease liabilities	(1,891)	-
Payment of lease liabilities	(619)	-
Proceeds from loans and borrowings	85,472	195,246
Repayment of loans and borrowings	(72,490)	(37,825)
Repayment of finance lease liabilities	(3,656)	(3,252)
Share buyback	-	(844)
Net cash (used in)/generated from financing activities	(31,188)	119,051
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(47,842)	(41,343)
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	52,246	184,876
Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise:		
Cash and bank balances	20,613	25,444
Deposits placed with financial institutions	254,262	392,750
	274,875	418,194
Less:		
Pledged deposits	(222,629)	(233,318)
	52,246	184,876

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 2019. In accounting for the Group's share of results in RKM for the period ended 30 September 2019, the Group relied on RKM's unaudited management accounts for the period ended 30 September 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. The Group has equity accounted for RKM's losses up to its interest in RKM in its book in the preceding quarter, which has resulted in the net carrying amount of investment in RKM being adjusted to nil as at 30 June 2019. Hence, no further share of losses in RKM was recognised in current quarter.

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 Cycle)
- 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 THIRD QUARTER ENDED 30 SEPTEMBER 2019

NOTES TO QUARTERLY REPORT

1. BASIS OF PREPARATION (CONT'D)

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



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

NOTES TO QUARTERLY REPORT

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 business operations of the Group are not likely to be affected significantly by seasonal or cyclical factors.

4. EXCEPTIONAL OR EXTRAORDINARY ITEMS

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

5. CHANGES IN ESTIMATES

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

6. DEBTS AND EQUITY SECURITIES

There were no purchase of share in the market during the current quarter ended 30 September 2019. As at 30 September 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 September 2019. As at 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2019

NOTES TO QUARTERLY REPORT

8 SEGMENTAL INFORMATION

QUARTERLY RESULTS:

<u>Q3 2019</u>	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	73,333	4,716	12,056	20,072	-	110,177
Inter-segment	-	503	464	3,090	(4,057)	-
Total revenue	73,333	5,219	12,520	23,162	(4,057)	110,177
RESULTS :						
Included in the measure of profit/(loss) are:						
Profit/(Loss) before tax	379	2,204	1,161	(1,305)	-	2,439
Interest income	109	30	1,131	1,151	-	2,421
Interest expenses	(4,420)	(69)	(4,488)	(4,515)	-	(13,492)
Depreciation and amortisation	(1,243)	(392)	(4,872)	(620)	-	(7,127)
Share of loss of associates	194	-	145	-	-	339
ESOS expenses	(183)	-	-	-	-	(183)
Income tax expenses	-	(572)	(3)	(124)	-	(699)
Profit/(Loss) after tax	379	1,632	1,158	(1,429)	-	1,740
<u>Q3 2018</u>						
REVENUE :						
External customers	93,478	7,859	30,979	15,865	-	148,181
Inter-segment	23,908	367	-	4,946	(29,221)	-
Total revenue	117,386	8,226	30,979	20,811	(29,221)	148,181
RESULTS :						
Included in the measure of profit/(loss) are:						
Profit/(Loss) before tax	636	2,419	(41,358)	(4,538)	-	(42,841)
Interest income	1,075	7	1,501	1,346	-	3,929
Interest expenses	(6,049)	(60)	(483)	(4,323)	-	(10,915)
Depreciation and amortisation	(2,087)	(338)	(1,116)	(554)	-	(4,095)
Share of loss of associates	156	-	(45,438)	-	-	(45,282)
ESOS expenses	(298)	-	-	-	-	(298)
Income tax expenses	(5,300)	(387)	-	(259)	-	(5,946)
Profit/(Loss) after tax	(4,664)	2,031	(41,357)	(4,797)	-	(48,787)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

NOTES TO QUARTERLY REPORT

8 SEGMENTAL INFORMATION (CONT'D)

YEAR-TO-DATE RESULTS:

9 MONTHS ENDED 30-SEP-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	196,860	16,773	37,904	44,787	-	296,324
Inter-segment	-	1,246	1,399	9,709	(12,354)	-
Total revenue	196,860	18,019	39,303	54,496	(12,354)	296,324

RESULTS :

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

Profit/(Loss) before tax	(5,644)	5,248	(57,868)	(10,371)	(565)	(69,200)
Interest income	1,486	80	3,517	4,196	-	9,279
Interest expenses	(14,258)	(194)	(12,678)	(13,488)	-	(40,618)
Depreciation and amortisation	(4,000)	(1,093)	(14,479)	(1,857)	-	(21,429)
Share of profit/(loss) of associates	452	-	(56,305)	-	-	(55,853)
ESOS expenses	(549)	-	-	-	-	(549)
Income tax expenses	-	(1,256)	(114)	(124)	-	(1,494)
Profit/(Loss) after tax	(5,644)	3,992	(57,982)	(10,495)	(565)	(70,694)

Assets :

Investment in associates	4,662	-	11,712	-	-	16,374
Additions to non-current assets [^]	109	923	1,730	886	-	3,648
Segment assets	749,132	234,205	492,810	683,747	(698,159)	1,461,735

Segment liabilities :

	645,436	104,593	461,964	294,145	(218,107)	1,288,031
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9 MONTHS ENDED 30-SEP-18

REVENUE :

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

RESULTS :

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

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

Assets :

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

Segment liabilities :

	828,600	110,315	440,388	289,427	(276,749)	1,391,981
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[^] Additions to non-current assets consist of property, plant and equipment, investment property and service concession assets.

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



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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:

	9 MONTHS ENDED 30-SEP-19 RM'000	9 MONTHS ENDED 30-SEP-18 RM'000
Associates		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	1,774	1,918
Secondment fee	<u>252</u>	<u>253</u>
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	1,896	1,896
Secondment fee	110	109
Corporate guarantee fee	<u>224</u>	<u>174</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 THIRD QUARTER ENDED 30 SEPTEMBER 2019

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE

QUARTERLY ANALYSIS:

	Individual Quarter			
	Current Year Quarter 30-SEP-19	Preceding Year Corresponding Quarter 30-SEP-18	Changes	
	RM'000	RM'000	RM'000	%
Revenue	110,177	148,181	(38,004)	(26)
Profit from operations	20,367	11,269	9,098	81
Profit/(Loss) before interest and tax	15,931	(31,926)	47,857	(150)
Profit/(Loss) before tax	2,439	(42,841)	45,280	(106)
Profit/(Loss) after tax	1,740	(48,787)	50,527	(104)
Profit/(Loss) attributable to owners of the Company	812	(49,595)	50,407	(102)

The Group reported revenue of RM110.2 million and profit before tax ("PBT") of RM2.4 million in the current quarter as compared to revenue of RM148.2 million and loss before tax of RM42.8 million in the corresponding quarter of 2018. Lower revenue reported in the current quarter was mainly due to the completion of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak in November 2018 and slow progress of the LRT3 project. PBT in the current quarter was mainly attributable to the on-going MRTv207 project and recognition of the remaining workdone for Pengerang projects as well as no further equity accounting for the share of RKM's losses as explained in Note 1.

The performance of the respective business segments is as follow:

Construction segment: This segment reported revenue and PBT of RM73.3 million and RM0.4 million respectively in the current quarter as compared to revenue of RM93.5 million and PBT of RM0.6 million in the previous year's corresponding quarter. Lower revenue and PBT in current quarter were mainly due to slow progress of the LRT3 project.

Property segment: This segment reported revenue and PBT of RM4.7 million and RM2.2 million respectively in the current quarter as compared to revenue of RM7.8 million and PBT of RM2.4 million in the previous year's corresponding quarter. Revenue and PBT decreased in the current quarter mainly due to lower sales of properties in the Batu Kawa New Township, Kuching.

Power segment: This segment reported revenue and PBT of RM12.1 million and RM1.2 million respectively in the current quarter as compared to revenue of RM31.0 million and LBT of RM41.3 million in the previous year's corresponding quarter. The lower revenue reported in the current quarter was due to the completion of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak in November 2018. PBT in current quarter was attributable to the cessation of equity accounting for the share of RKM's losses as explained earlier.

Other segment: This segment comprises primarily manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM20.1 million and RM1.3 million respectively in the current quarter as compared to revenue of RM15.9 million and LBT of RM4.5 million in the previous year's corresponding quarter. Improvement in revenue and LBT in current quarter were attributable to higher sales in the precast manufacturing operations.



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE (CONT'D)

YEAR-TO-DATE ANALYSIS:

	Cumulative Period			
	Current Year To-date 30-SEP-19	Preceding Year Corresponding Period 30-SEP-18	Changes	
			RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	296,324	636,926	(340,602)	(53)
Profit from operations	48,939	40,647	8,292	20
Loss before interest and tax	(28,582)	(120,182)	91,600	(76)
Loss before tax	(69,200)	(152,774)	83,574	(55)
Loss after tax	(70,694)	(159,544)	88,850	(56)
Loss attributable to owners of the Company	(73,036)	(160,991)	87,955	(55)

The Group reported revenue of RM296.3 million and LBT of RM69.2 million for the period ended 30 September 2019 as compared to revenue of RM636.9 million and LBT of RM152.7 million for the corresponding period ended 30 September 2018. Lower revenue in the current period was mainly due to the completion of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak in November 2018 and slow progress of the LRT3 project. Lower LBT in the current period was mainly attributable to the cessation of equity accounting for the share of losses from RKM as its net carrying amount in the Group's books has already been adjusted to nil as explained in Note 1.

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

Construction segment : This segment reported revenue and LBT of RM196.9 million and RM5.6 million respectively in the current nine months period as compared to revenue of RM311.7 million and PBT of RM4 million in the previous year's corresponding period. Lower revenue in the current period was mainly due to slow progress of the LRT3 project whilst LBT in the current period was mainly due to additional costs of RM7.1 million for Pengerang projects.

Property segment : This segment reported revenue and PBT of RM16.8 million and RM5.2 million respectively in the current nine months period as compared to revenue of RM13.8 million and PBT of RM3.1 million in the previous year's corresponding period. Higher revenue and PBT were mainly due to higher sales of properties in the Batu Kawa New Township, Kuching in the current period.

Power segment : This segment reported revenue and LBT of RM37.9 million and RM57.9 million respectively in the current nine months period as compared to revenue of RM276.4 million and LBT of RM142.2 million in the previous year's corresponding period. Lower revenue in the current period was mainly due to the completion of the 49MW solar photovoltaic energy plant at Sungai Siput, Perak in November 2018 whilst lower LBT in the current period was due to a lower share of RKM's losses as the Group had already equity accounted for RKM's losses up to its interest in RKM, which resulted in the net carrying amount of investment in RKM being adjusted to nil.

Others segment : This segment comprises primarily the manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM44.8 million and RM10.4 million respectively in the current nine months period as compared to revenue of RM35.1 million and LBT of RM17.6 million in the previous year's corresponding period. Improvement in revenue and LBT in the current period were attributable to higher sales achieved by the precast manufacturing business.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

NOTES TO QUARTERLY REPORT

15. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 30-SEP-19	Immediate Preceding Quarter 30-JUN-19	Changes	
	RM'000	RM'000	RM'000	%
Revenue	110,177	86,054	24,123	28
Profit from operations	20,367	8,358	12,009	144
Profit/(Loss) before interest and tax	15,931	(16,771)	32,702	(195)
Profit/(Loss) before tax	2,439	(30,344)	32,783	(108)
Profit/(Loss) after tax	1,740	(30,834)	32,574	(106)
Profit/(Loss) attributable to owners of the Company	812	(31,585)	32,397	(103)

The Group reported revenue of RM110.2 million and PBT of RM2.4 million in the current quarter as compared to revenue of RM86.1 million and LBT of RM30.3 million in the preceding quarter. Higher revenue and PBT in current quarter were mainly attributable to the on-going MRTv207 project and recognition of the remaining workdone on Pengerang projects as well as no further sharing of RKM's losses.

16. PROSPECTS

The Group believes the outlook for the construction segment is turning more positive with the revival of the East Coast Rail Line ("ECRL") and Bandar Malaysia projects. Management is confident that the Group is in a good position to win new contracts given its vast experience and competitiveness in the construction segment. In addition, the Group's total order book of RM1.4 billion as at the reporting date is expected to sustain its operations over the next 2 years.

The investment in the IPP in India via the Group's 26% associate RKM continues to pose challenges to Management even though all 4 units of the IPP development have achieved commercial operation status. There is some reprieve for the Group's balance sheet resulting from the net carrying amount of RKM in the Group's books having been fully adjusted to nil from prior share of losses; hence, there is no further equity accounting for RKM losses from this quarter onwards. 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. These contracts are expected to contribute positively to RKM's results upon the eventual 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.

In terms of new business, 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 upcoming large scale solar farm projects.

17. VARIANCE ON PROFIT FORECAST

Not applicable.

18. INCOME TAX EXPENSE

CURRENT QUARTER ENDED 30-SEP-19 RM'000	9 MONTHS ENDED 30-SEP-19 RM'000
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Current income tax:

- Malaysian income tax	699	1,494
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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 PROPOSAL

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 ("the proposal") to third party investor(s) to be identified later. The proposal was approved by Bursa Malaysia Securities Berhad ("BMSB") on 6 September 2019. According to Chapter 6, Para 6.62 of the Listing Requirements of BMSB, the Company has a period of 6 months from the date of approval of the listing application by BMSB, to implement and complete the proposal. As at todate, the Company is identifying the potential third party investor(s).



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

NOTES TO QUARTERLY REPORT

20. GROUP BORROWINGS AND DEBT SECURITIES

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

As at 30 Sept 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	-	26,947	26,947
<i>Finance lease liabilities</i>	Fixed	900	3,967	4,867
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	209,510	-	209,510
<i>Term loan denominated in RM</i>	Fixed/Floating	21,217	6,434	27,651
<i>Green SRI Sukuk Wakalah</i>	Fixed	245,000	-	245,000
		<u>476,627</u>	<u>163,848</u>	<u>640,475</u>
Unsecured				
<i>Revolving credits</i>	Floating	-	4,000	4,000
<i>Bankers' acceptance</i>	Floating	-	6,938	6,938
<i>Euro Medium Term Notes ("EMTN") denominated in USD (USD60 million)</i>	Fixed	-	251,412	251,412
		<u>-</u>	<u>262,350</u>	<u>262,350</u>
Total Group's borrowings		<u>476,627</u>	<u>426,198</u>	<u>902,825</u>
As at 30 Sept 2018				
Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000	
Secured				
<i>Revolving credit</i>	Floating	-	81,860	81,860
<i>Finance lease liabilities</i>	Fixed	4,716	4,658	9,374
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	-	207,016	207,016
<i>Term loan denominated in RM</i>	Fixed/Floating	27,565	6,259	33,824
<i>Green SRI Sukuk Wakalah</i>	Fixed	190,000	-	190,000
		<u>222,281</u>	<u>299,793</u>	<u>522,074</u>
Unsecured				
<i>Invoice financing</i>	Floating	-	3,385	3,385
<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	248,419	-	248,419
		<u>248,419</u>	<u>163,385</u>	<u>411,804</u>
Total Group's borrowings		<u>470,700</u>	<u>463,178</u>	<u>933,878</u>

(ii) Total borrowings decreased from RM933.9 million as at 30 September 2018 to RM902.8 million as at 30 September 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 September 2019 amounted to RM76.1 million with an estimated net interest savings of RM3.6 million per annum.

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



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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-Sept-19 RM'000
Neither past due nor impaired	72,266
1 to 30 days past due but not impaired	19,800
31 to 60 days past due but not impaired	2,917
61 to 90 days past due but not impaired	1
91 to 120 days past due but not impaired	6,204
More than 120 days past due but not impaired	158,216
Trade receivables that are impaired	187,138
	<u>(45,671)</u>
	<u>213,733</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 past due but not impaired) is the amount due from an associate of RM 108.8 million.

22. CHANGES IN MATERIAL LITIGATION

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

23. DIVIDEND

There were no dividend declared during the period ended 30 September 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 QUARTER ENDED 30-SEP-19	9 MONTHS ENDED 30-SEP-19
<u>Basic and Diluted loss per share:-</u>		
(a) Profit/(Loss) for the period attributable to owners of the Company (RM'000)	812	(73,036)
(b) Weighted average number of ordinary shares ('000)	589,914	589,914
Basic and diluted profit/(loss) per share (sen)	<u>0.14</u>	<u>(12.38)</u>