

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	CORRESPONDING	CORRESPONDING	TO DATE	CORRESPONDING
	QUARTER	QUARTER	31-DEC-19	PERIOD
	31-DEC-19	31-DEC-18	31-DEC-19	31-DEC-18
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	86,494	123,125	382,818	760,051
Operating expenses	(53,060)	(118,412)	(300,445)	(710,569)
Profit from operations	<u>33,434</u>	<u>4,713</u>	<u>82,373</u>	<u>49,482</u>
Interest income	2,193	2,698	11,472	11,264
Other income	736	1,505	3,539	3,044
Foreign exchange gain/(loss)	4,801	(4,139)	8,200	(8,421)
Fair value (loss)/gain on derivative	(4,205)	3,210	(7,513)	7,002
Depreciation and amortization	(7,019)	(5,454)	(28,448)	(19,025)
(Loss)/Gain on disposal of property, plant and equipment	-	(352)	263	1,777
Loss on disposal of subsidiaries	(5,070)	-	(5,070)	-
Gain on disposal of investment in an associate	4,230	-	4,230	-
ESOS expenses	(184)	(297)	(733)	(1,189)
Net loss on impairment of financial instruments	(14,772)	(32,499)	(28,035)	(32,499)
Impairment loss on investment in an associate	(39,545)	(145,551)	(39,545)	(145,551)
Interest expense	(13,533)	(11,967)	(54,151)	(44,559)
Share of results of associates, net of tax	(203,195)	(48,277)	(259,048)	(214,044)
Reversal of unrealised profit adjustment	<u>243,508</u>	<u>1,142</u>	<u>244,645</u>	<u>4,677</u>
Profit/(Loss) before tax	1,379	(235,268)	(67,821)	(388,042)
Income tax expense	(12,985)	(5,339)	(14,479)	(12,109)
Loss after tax	<u>(11,606)</u>	<u>(240,607)</u>	<u>(82,300)</u>	<u>(400,151)</u>
Other comprehensive income/(expense):				
Foreign currency translation differences	<u>20,264</u>	<u>121</u>	<u>19,599</u>	<u>(1,310)</u>
Total comprehensive expense	<u><u>8,658</u></u>	<u><u>(240,486)</u></u>	<u><u>(62,701)</u></u>	<u><u>(401,461)</u></u>

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**

(The figures have not been audited)

	INDIVIDUAL QUARTER PRECEDING		CUMULATIVE PERIOD PRECEDING	
	CURRENT YEAR QUARTER 31-DEC-19 RM'000	YEAR CORRESPONDING QUARTER 31-DEC-18 RM'000	CURRENT YEAR TO DATE 31-DEC-19 RM'000	YEAR CORRESPONDING PERIOD 31-DEC-18 RM'000
(Loss)/Profit attributable to:				
Owners of the Company	(11,792)	(232,682)	(84,827)	(393,673)
Non-controlling interest	186	(7,925)	2,527	(6,478)
	<u>(11,606)</u>	<u>(240,607)</u>	<u>(82,300)</u>	<u>(400,151)</u>
Total comprehensive income/(expense) attributable to:				
Owners of the Company	5,584	(232,294)	(67,828)	(394,709)
Non-controlling interest	3,074	(8,192)	5,127	(6,752)
	<u>8,658</u>	<u>(240,486)</u>	<u>(62,701)</u>	<u>(401,461)</u>
Loss per share (sen) attributable to equity holders of the Company:				
Basic and diluted loss per share (sen)	<u>(2.00)</u>	<u>(39.52)</u>	<u>(14.38)</u>	<u>(66.73)</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 589,875,000.

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

	AS AT 31-DEC-19 RM'000	AS AT 31-DEC-18 RM'000
Assets		
Property, plant and equipment	34,042	42,903
Investment properties	52,132	50,441
Intangible asset	9,293	9,913
Service concession assets	318,791	323,691
Right of use assets	45,591	-
Investment in associates	8,696	71,455
Other investments	936	964
Deferred tax asset	2,066	2,066
Trade and other receivables	4,749	4,749
Total non-current assets	476,296	506,182
Inventories	123,179	132,915
Contract assets	65,088	71,969
Contract costs	-	68
Trade and other receivables	159,077	332,500
Other current assets	199,587	199,587
Tax recoverable	2,778	16,335
Derivative financial assets	-	7,002
Cash and bank balances	301,791	330,722
Total current assets	851,500	1,091,098
Total assets	1,327,796	1,597,280
Equity		
Share capital	393,172	393,172
Treasury shares	(36,075)	(36,075)
Employees' share option reserve	10,065	9,727
Foreign currency translation reserve	2,433	(14,566)
Retained earnings	(219,628)	(136,304)
Equity attributable to owners of the Company	149,967	215,954
Non-controlling interests	33,687	28,560
Total equity	183,654	244,514
Liabilities		
Lease liability	45,581	-
Loans and borrowings	464,544	426,504
Refundable deposits	3,515	1,717
Deferred tax liabilities	7,281	7,281
Deferred income	5,659	5,659
Total non-current liabilities	526,580	441,161
Lease liability	1,626	-
Trade and other payables	187,079	403,567
Contract liabilities	11,418	41,490
Tax liabilities	410	12
Loans and borrowings	416,518	466,536
Derivative financial liabilities	511	-
Total current liabilities	617,562	911,605
Total liabilities	1,144,142	1,352,766
Total equity and liabilities	1,327,796	1,597,280
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.25	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 FOURTH QUARTER ENDED 31 DECEMBER 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
<i>At 1 January 2019, as previously reported</i>	393,172	9,727	(36,075)	(14,566)	(136,304)	215,954	28,560	244,514
Adjustment on initial application of MFRS 16, net of tax	-	-	-	-	1,108	1,108	-	1,108
<i>At 1 January 2019, restated</i>	393,172	9,727	(36,075)	(14,566)	(135,196)	217,062	28,560	245,622
Foreign currency translation differences for foreign operations	-	-	-	159	-	159	(1,612)	(1,453)
Disposal of a subsidiary	-	-	-	16,840	-	16,840	4,212	21,052
(Loss)/Profit for the year	-	-	-	-	(84,827)	(84,827)	2,527	(82,300)
Total comprehensive income/(expense)	-	-	-	16,999	(84,827)	(67,828)	5,127	(62,701)
Contribution by and distributions to owners of the Company								
Share-based payment transaction	-	(395)	-	-	395	-	-	-
Grant of equity-settled share options to employees	-	733	-	-	-	733	-	733
Total transactions with owners of the Company	-	338	-	-	395	733	-	733
At 31 December 2019	393,172	10,065	(36,075)	2,433	(219,628)	149,967	33,687	183,654
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	-	-	-	(1,036)	-	(1,036)	(274)	(1,310)
Loss for the year	-	-	-	-	(393,673)	(393,673)	(6,478)	(400,151)
Total comprehensive expense	-	-	-	(1,036)	(393,673)	(394,709)	(6,752)	(401,461)
Contribution by and distributions to owners of the Company								
Share-based payment transaction	-	(1,036)	-	-	1,036	-	-	-
Grant of equity-settled share options to employees	-	1,189	-	-	-	1,189	-	1,189
Repurchase of ordinary shares	-	-	(848)	-	-	(848)	-	(848)
Total transactions with owners of the Company	-	153	(848)	-	1,036	341	-	341
At 31 December 2018	393,172	9,727	(36,075)	(14,566)	(136,304)	215,954	28,560	244,514

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

(The figures have not been audited)

	YEAR ENDED	
	31-DEC-19	31-DEC-18
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(67,821)	(388,042)
Adjustments for:		
Amortisation of intangible asset	620	620
Amortisation of service concession assets	16,781	5,373
Depreciation of investment property	1,045	1,045
Depreciation of property, plant and equipment	8,031	11,987
Depreciation of right-of-use assets	1,971	-
ESOS expenses	733	1,189
Gain on disposal of property, plant and equipment	(263)	(1,777)
Gain on disposal of investment in an associate	(4,230)	-
Fair value adjustment of service concession assets	-	(12,106)
Fair value loss/(gain) on derivative	7,513	(7,002)
Fair value loss/(gain) on other investments	28	(387)
Impairment loss of financial asset	28,035	39,771
Impairment loss of investment in an associate	39,545	145,551
Interest income	(11,472)	(11,264)
Interest expense	54,151	44,559
Share of results of equity accounted associates	259,048	214,044
Property, plant and equipment written off	142	1,697
Reversal of impairment loss of contract assets	-	(7,272)
Reversal of unrealised profit adjustment	(244,645)	(4,677)
Unrealised (gain)/loss on foreign exchange	(7,554)	4,485
Operating profit before working capital changes	81,658	37,794
Changes in working capital:		
Inventories	10,244	(33,470)
Contract assets	29,547	65,615
Contract costs	68	35
Other current assets	-	4,336
Trade and other receivables	147,557	(59,539)
Trade and other payables	(227,674)	50,296
Refundable deposits	1,798	(502)
Contract liabilities	(30,072)	(27,566)
Cash generated from operations	13,126	36,999
Tax paid	(4,857)	(3,645)
Tax refunded	14,146	403
Net cash generated from operating activities	22,415	33,757

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

(The figures have not been audited)

	YEAR ENDED	
	31-DEC-19	31-DEC-18
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional expenditure in investment property	(72)	(255)
Addition in other investment	-	(35)
Addition in service concession assets	(11,881)	(242,119)
Advance to an associate	(156)	(2,833)
Dividend income from an associate	365	1,356
Interest received	11,472	11,264
Purchase of property, plant and equipment	(2,292)	(3,396)
Proceeds from disposal of investment in an associate	12,676	-
Proceeds from disposal of property, plant and equipment	578	2,231
Change in pledged deposits	(18,149)	558
Net cash used in investing activities	(7,459)	(233,229)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to an associate	(2,078)	(1,742)
Interest paid	(54,151)	(44,559)
Interest on lease liabilities	2,608	-
Payment of lease liabilities	(4,165)	-
Net drawdown of loan and borrowings	576	121,188
Repayment of finance lease liabilities	(4,826)	(3,923)
Repurchase of ordinary shares	-	(848)
Net cash (used in)/generated from financing activities	(62,036)	70,116
NET DECREASE IN CASH AND CASH EQUIVALENTS	(47,080)	(129,356)
Effect of exchange rate fluctuations on cash held	-	3,783
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	100,646	226,219
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	53,566	100,646

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

(The figures have not been audited)

	YEAR ENDED	
	31-DEC-19	31-DEC-18
	RM'000	RM'000
Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise:		
Cash and bank balances	39,921	43,429
Deposits placed with financial institutions	261,870	287,293
	301,791	330,722
Less:		
Pledged deposits	(248,225)	(230,076)
	53,566	100,646

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 FOURTH QUARTER ENDED 31 DECEMBER 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, had its last financial statements audited up to 31 March 2019. In accounting for the Group's share of results in RKM for the year ended 31 December 2019, the Group relied on RKM's unaudited management accounts for the period ended 31 December 2019.

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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2019. As at 31 December 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 December 2019. As at 31 December 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 FOURTH QUARTER ENDED 31 DECEMBER 2019

NOTES TO QUARTERLY REPORT

8 SEGMENTAL INFORMATION

QUARTERLY RESULTS:

Q4 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	52,848	3,602	10,810	19,234	-	86,494
Inter-segment	(3,437)	503	473	1,770	691	-
Total revenue	49,411	4,105	11,283	21,004	691	86,494

RESULTS:

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

Profit/(Loss) before tax	19,187	684	4,737	(18,150)	(5,079)	1,379
Interest income	147	38	1,078	930	-	2,193
Interest expenses	(4,421)	(62)	(4,493)	(4,557)	-	(13,533)
Depreciation and amortisation	(1,770)	(387)	(4,201)	(661)	-	(7,019)
Share of loss of associates	219	-	(203,414)	-	-	(203,195)
ESOS expenses	(184)	-	-	-	-	(184)
Income tax expenses	(11,566)	(794)	(34)	(591)	-	(12,985)
Profit/(Loss) after tax	7,621	(110)	4,703	(18,741)	(5,079)	(11,606)

Q4 2018

REVENUE:

External customers	79,252	6,556	22,024	15,293	-	123,125
Inter-segment	5,173	318	476	15,901	(21,868)	-
Total revenue	84,425	6,874	22,500	31,194	(21,868)	123,125

RESULTS:

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

(Loss)/Profit before tax	(18,741)	1,170	(197,378)	8,402	(28,721)	(235,268)
Interest income	3,922	20	255	1,436	(2,935)	2,698
Interest expenses	(5,881)	(215)	(1,745)	(4,410)	284	(11,967)
Depreciation and amortisation	(1,769)	(403)	(2,674)	(608)	-	(5,454)
Share of profit/(loss) of associates	45	-	(48,322)	-	-	(48,277)
ESOS expenses	(297)	-	-	-	-	(297)
Income tax expenses	(4,088)	(598)	(73)	(54)	(526)	(5,339)
(Loss)/Profit after tax	(22,829)	572	(197,451)	8,348	(29,247)	(240,607)



QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

NOTES TO QUARTERLY REPORT

8 SEGMENTAL INFORMATION (CONT'D)

YEAR-TO-DATE RESULTS:

YEAR ENDED 31-DEC-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	249,708	20,375	48,714	64,021	-	382,818
Inter-segment	(3,437)	1,749	1,872	11,479	(11,663)	-
Total revenue	246,271	22,124	50,586	75,500	(11,663)	382,818
RESULTS:						
Included in the measure of profit/(loss) are:						
Profit/(Loss) before tax	13,543	5,932	(53,131)	(28,521)	(5,644)	(67,821)
Interest income	1,633	118	4,595	5,126	-	11,472
Interest expenses	(18,679)	(256)	(17,171)	(18,045)	-	(54,151)
Depreciation and amortisation	(5,770)	(1,480)	(18,680)	(2,518)	-	(28,448)
Share of profit/(loss) of associates	671	-	(259,719)	-	-	(259,048)
ESOS expenses	(733)	-	-	-	-	(733)
Income tax expenses	(11,566)	(2,050)	(148)	(715)	-	(14,479)
Profit/(Loss) after tax	1,977	3,882	(53,279)	(29,236)	(5,644)	(82,300)
Assets:						
Investment in associates	4,881	-	3,815	-	-	8,696
Additions to non-current assets [^]	109	917	1,677	1,219	-	3,922
Segment assets	569,311	235,023	488,861	719,751	(685,150)	1,327,796
Segment liabilities:	505,774	105,088	453,359	344,869	(264,948)	1,144,142

YEAR ENDED 31-DEC-18

REVENUE:						
External customers	390,948	20,315	298,426	50,362	-	760,051
Inter-segment	247,566	17,898	476	28,253	(294,193)	-
Total revenue	638,514	38,213	298,902	78,615	(294,193)	760,051
RESULTS:						
Included in the measure of profit/(loss) are:						
(Loss)/Profit before tax	(14,785)	4,274	(339,567)	(9,243)	(28,721)	(388,042)
Interest income	6,729	67	2,641	4,762	(2,935)	11,264
Interest expenses	(24,190)	(362)	(3,227)	(17,064)	284	(44,559)
Depreciation and amortisation	(9,278)	(1,435)	(6,016)	(2,296)	-	(19,025)
Share of profit/(loss) of associates	295	-	(214,339)	-	-	(214,044)
ESOS expenses	(1,189)	-	-	-	-	(1,189)
Income tax expenses	(9,122)	(2,163)	(80)	(218)	(526)	(12,109)
(Loss)/Profit after tax	(23,907)	2,111	(339,647)	(9,461)	(29,247)	(400,151)
Assets:						
Investment in associates	4,210	-	67,245	-	-	71,455
Additions to non-current assets [^]	3,907	276	254,569	2,688	-	261,440
Segment assets	886,803	229,656	475,031	731,931	(726,141)	1,597,280
Segment liabilities:	838,199	116,657	445,759	332,117	(379,966)	1,352,766

[^] 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 FOURTH QUARTER ENDED 31 DECEMBER 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:

	YEAR ENDED 31-DEC-19 RM'000	YEAR ENDED 31-DEC-18 RM'000
Associates		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	2,592	2,584
Secondment fee	<u>331</u>	<u>331</u>
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	2,528	2,528
Secondment fee	141	141
Corporate guarantee fee	<u>299</u>	<u>250</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

On 27 December 2019, Mudajaya Corporation Berhad, a wholly-owned subsidiary of the Company entered into a Share Sale and Purchase Agreement for the proposed disposal of its entire 80% equity interest in MIPP International Ltd, comprising 1,600,000 ordinary shares to a third party for a total cash consideration of RM150,000.

13. CONTINGENT LIABILITIES

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



QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE

QUARTERLY ANALYSIS:

	Individual Quarter			
	Current Year Quarter 31-DEC-19	Preceding Year Corresponding Quarter 31-DEC-18	Changes	
	RM'000	RM'000	RM'000	%
Revenue	86,494	123,125	(36,631)	(30)
Profit from operations	33,434	4,713	28,721	609
Profit/(Loss) before interest and tax	14,912	(223,301)	238,213	(107)
Profit/(Loss) before tax	1,379	(235,268)	236,647	(101)
Loss after tax	(11,606)	(240,607)	229,001	(95)
Loss attributable to owners of the Company	(11,792)	(232,682)	220,890	(95)

The Group reported revenue of RM86.5 million and profit before tax ("PBT") of RM1.4 million in the current quarter as compared to revenue of RM123.1 million and loss before tax ("LBT") of RM235.3 million in the corresponding quarter of 2018. The reduction of revenue in the current quarter is mainly due to the near completion of Pengerang projects and the slow-moving progress of LRT3. In addition, the completion of the 49MW solar photovoltaic energy plant in Sungai Siput, Perak in November 2018 also contributed to the lower revenue reported in the current quarter. Nevertheless, the Group's profit from operations has increased mainly due to the finalisation of additional change orders relating to the Pengerang project in the current quarter as well as non-recurring additional costs relating to MRT3 that were expensed in the corresponding quarter of 2018. The Group recorded a turnaround in its PBT in the current quarter mainly due to the cessation of equity accounting of RKM's losses as its net carrying amount in Group's book had already been adjusted to nil. Subsequent to the disposal of a subsidiary as disclosed in Note 12, the deferred income relating to the RKM's equipment procurement with the subsidiary of RM243.5 million is fully recognised to profit or loss. The amount is offset by the share of losses in RKM of RM204.0 million in Q4 FY2019 and an impairment of investment in RKM of RM39.5 million in the current quarter.

The performance of the respective business segments is as follow:

Construction segment: This segment reported revenue and PBT of RM52.8 million and RM19.1 million respectively in the current quarter as compared to revenue of RM79.3 million and LBT of RM18.8 million in the preceding year's corresponding quarter. As mentioned above, lower revenue in current quarter is mainly affected by the near completion of Pengerang projects and the slow-moving progress of LRT3.

Property segment: This segment reported revenue and PBT of RM3.6 million and RM0.7 million respectively in the current quarter as compared to revenue of RM6.6 million and PBT of RM1.2 million in the preceding year's corresponding quarter. The sales of properties in Batu Kawa New Township, Kuching is the main contributor to this segment.

Power segment: This segment reported revenue and PBT of RM10.8 million and RM4.7 million respectively in the current quarter as compared to revenue of RM22.0 million and LBT of RM197.4 million in the preceding year's corresponding quarter. The lower revenue reported in the current quarter is due to the completion of the 49MW solar photovoltaic energy plant in Sungai Siput, Perak in November 2018. PBT in the current quarter is contributed by the cessation in share of RKM's losses through the equity accounting as explained earlier and sales of renewable energy in both Gebeng and Sungai Siput plant.

Other segment: This segment comprises primarily manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM19.2 million and RM18.2 million respectively in the current quarter as compared to revenue of RM15.3 million and PBT of RM8.4 million in the preceding year's corresponding quarter. LBT in current quarter is mainly due to an one-off impairment of receivable being recognised in the current quarter which arising from the disposal of a subsidiary.



QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

NOTES TO QUARTERLY REPORT

14. REVIEW OF PERFORMANCE (CONT'D)

YEAR-TO-DATE ANALYSIS:

	Cumulative Periods			
	Current Year To-date 31-DEC-19	Preceding Year 31-DEC-18	Changes	
	RM'000	RM'000	RM'000	%
Revenue	382,818	760,051	(377,233)	(50)
Profit from operations	82,373	49,482	32,891	66
Loss before interest and tax	(13,670)	(343,483)	329,813	(96)
Loss before tax	(67,821)	(388,042)	320,221	(83)
Loss after tax	(82,300)	(400,151)	317,851	(79)
Loss attributable to owners of the Company	(84,827)	(393,673)	308,846	(78)

The Group reported revenue of RM382.8 million and LBT of RM67.8 million for the year ended 31 December 2019 as compared to revenue of RM760.1 million and LBT of RM388.0 million for the year ended 31 December 2018. Lower revenue in the current year is mainly due to the completion of the 49MW solar photovoltaic energy plant in Sungai Siput, Perak in November 2018 and slow-moving progress of the LRT3 project in the current year. Nevertheless, the Group's profit from operations has increased mainly due to the finalisation of additional change orders relating to the Pengerang projects in the current year as well as non-recurring additional cost relating to the MRT3 that was recognised in the preceding year. Lower LBT in the current year is mainly attributed to the cessation of equity accounting of RKM's losses as its net carrying amount in the Group's books had been adjusted to nil. As mentioned earlier, the deferred income relating to the RKM's equipment procurement with the subsidiary of RM244.6 million is fully recognised to profit or loss. The amount is offset by the share of losses in RKM of RM205.1 million in Q4 FY2019 and the impairment of investment in RKM of RM39.5 million in the current quarter.

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

Construction segment : This segment reported revenue and PBT of RM249.7 million and RM13.5 million respectively in the current year as compared to revenue of RM391.0 million and LBT of RM14.8 million in the preceding year. Lower revenue in the current year is mainly due to slow-moving progress of the LRT3 project in the current year. Improvement of PBT in the current year is mainly due to the absence of non-recurring impairment on long overdue receivable from RKM arising from the equipment supply contracts that was recognised in the preceding year.

Property segment : This segment reported revenue and PBT of RM20.3 million and RM5.9 million respectively in the current year as compared to revenue of RM20.3 million and PBT of RM4.3 million in the preceding year. Higher revenue and PBT are mainly due to an increase in the sales of properties in Batu Kawa New Township, Kuching.

Power segment : This segment reported revenue and LBT of RM48.7 million and RM53.1 million respectively in the current year as compared to the preceding year revenue of RM298.4 million and LBT of RM339.6 million. Lower revenue in the current year is mainly due to the completion of the 49MW solar photovoltaic energy plant in Sungai Siput, Perak in November 2018 whilst lower LBT in the current year is due to the lower share of RKM's losses as the Group equity accounted for RKM's losses up to its interest in RKM for the period ended 30 June 2019, which resulted in the net carrying amount of investment in RKM has been impaired to nil.

Others segment : This segment comprises primarily the manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM64.0 million and RM28.5 million respectively in the current year as compared to revenue of RM50.4 million and LBT of RM9.2 million in the preceding year. The increase in revenue is driven by higher sales achieved in precast manufacturing business in the current year. However, higher LBT recorded in the current year is mainly due to an one-off impairment of receivable being recognised in the current year arising from the disposal of a subsidiary.



QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

NOTES TO QUARTERLY REPORT

15. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 31-DEC-19	Immediate Preceding Quarter 30-SEP-19	Changes	
	RM'000	RM'000	RM'000	%
Revenue	86,494	110,117	(23,623)	(21)
Profit from operations	33,434	20,367	13,067	64
Profit before interest and tax	14,912	15,931	(1,019)	(6)
Profit before tax	1,379	2,439	(1,060)	(43)
(Loss)/Profit after tax	(11,606)	1,740	(13,346)	(767)
(Loss)/Profit attributable to owners of the Company	(11,792)	812	(12,604)	(1,552)

The Group reported revenue of RM86.5 million and PBT of RM1.4 million in the current quarter as compared to revenue of RM110.1 million and PBT of RM2.4 million in the preceding quarter. Lower revenue in the current quarter is mainly due to the near completion of Pengerang projects in the current quarter. Nevertheless, the Group's profit from operations has improved mainly contributed by the finalisation of additional change orders related to the Pengerang projects. Higher loss after tax in the current quarter is mainly due to additional assessment in a subsidiary imposed by the Inland Revenue Board of Malaysia relating to the years of assessment 2012 and 2013.

16. PROSPECTS

Despite the slow economic growth in Malaysia, the Group will continue to actively participate in open biddings of both public and private projects to replenish the order book given the Group 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 two years.

The Group's investment in its associate, RKM had already been fully impaired and the Group consequently no longer equity accounted further losses in RKM except for the adjustments as explained above. Nevertheless, management is still involved with the investment in IPP in India via the Group's 26% associate RKM, where all 4 units of the IPP development have achieved commercial operation status. The proposed resolution plan for RKM is currently being reviewed by its lenders. The Group has been notified on 1 February 2020 that RKM has commenced power supply to the State of Telangana pursuant to the Pilot Agreement entered into between RKM and PTC India Limited for the supply of 550MW power.

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 participating in upcoming large scale solar farm projects.

17. VARIANCE ON PROFIT FORECAST

Not applicable.

18. INCOME TAX EXPENSE

	CURRENT QUARTER 31-DEC-19 RM'000	YEAR ENDED 31-DEC-19 RM'000
Current income tax:		
- Malaysian income tax	12,985	14,479

For current quarter, the Group's effective tax rate is higher than the Malaysian statutory rate of 24% mainly due to additional assessment in a subsidiary imposed by the Inland Revenue Board of Malaysia relating to the years of assessment 2012 and 2013.

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. On 19 February 2020, the Company has submitted application to BMSB to seek its approval for an extension of time up to 5 September 2020 to complete the proposal. As at todate, the Company is identifying the potential third party investor(s).



QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

NOTES TO QUARTERLY REPORT

20. GROUP BORROWINGS AND DEBT SECURITIES

(i) Details of the Group's borrowings are as follow:

As at 31 DECEMBER 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	-	18,646	18,646
<i>Finance lease liabilities</i>	Fixed	437	3,260	3,697
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	204,435	-	204,435
<i>Term loan denominated in RM</i>	Fixed/Floating	19,672	6,434	26,106
<i>Green SRI Sukuk Wakalah</i>	Fixed	240,000	5,000	245,000
		<u>464,544</u>	<u>159,840</u>	<u>624,384</u>
Unsecured				
<i>Revolving credits</i>	Floating	-	4,000	4,000
<i>Bankers' acceptance</i>	Floating	-	7,357	7,357
<i>Term loan denominated in USD (USD20 million)</i>	Fixed	-	81,774	81,774
<i>Euro Medium Term Notes ("EMTN") denominated in USD (USD40 million)</i>	Fixed	-	163,547	163,547
		<u>-</u>	<u>256,678</u>	<u>256,678</u>
Total Group's borrowings		<u>464,544</u>	<u>416,518</u>	<u>881,062</u>
As at 31 December 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	3,741	4,782	8,523
<i>Term loan denominated in USD (USD50 million)</i>	Fixed	206,915	-	206,915
<i>Term loan denominated in RM</i>	Fixed/Floating	25,848	6,433	32,281
<i>Green SRI Sukuk Wakalah</i>	Fixed	190,000	-	190,000
		<u>426,504</u>	<u>93,075</u>	<u>519,579</u>
Unsecured				
<i>Invoice financing</i>	Floating	-	13,663	13,663
<i>Revolving credits</i>	Floating	-	44,000	44,000
<i>Islamic Medium Term Notes("IMTN")</i>	Fixed	-	67,500	67,500
<i>Euro Medium Term Notes ("EMTN") denominated in USD (USD60 million)</i>	Fixed	-	248,298	248,298
		<u>-</u>	<u>373,461</u>	<u>373,461</u>
Total Group's borrowings		<u>426,504</u>	<u>466,536</u>	<u>893,040</u>

(ii) Total borrowings decreased from RM893.0 million as at 31 December 2018 to RM881.1 million as at 31 December 2019 is mainly due to the net of redemption of IMTN amounted to RM67.5 million and the drawdown of other banking facilities.

(iii) Total repayment of borrowings during the year ended 31 December 2019 amounted to RM80.2 million with an estimated net interest savings of RM3.8 million per annum.

(iv) The weighted average interest rate of the Group's borrowings is 6.2% per annum.



QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 an increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers wish to trade on credit terms are subject to credit evaluation procedures and the exposure to credit risk is monitored on an ongoing basis.

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

	AS AT 31-DEC-19 RM'000
Neither past due nor impaired	63,721
1 to 30 days past due but not impaired	7,087
31 to 60 days past due but not impaired	39
61 to 90 days past due but not impaired	15
91 to 120 days past due but not impaired	8,361
More than 120 days past due but not impaired	25,207
	40,709
Trade receivables that are impaired	(6,420)
	<u>98,010</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.

22. CHANGES IN MATERIAL LITIGATION

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

23. DIVIDEND

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

24. BASIC EARNINGS PER SHARE

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

	CURRENT QUARTER 31-DEC-19	YEAR ENDED 31-DEC-19
<u>Basic and Diluted loss per share:-</u>		
(a) Loss for the period/year attributable to owners of the Company (RM'000)	<u>(11,792)</u>	<u>(84,827)</u>
(b) Weighted average number of ordinary shares ('000)	589,875	589,875
Basic and diluted loss per share (sen)	<u>(2.00)</u>	<u>(14.38)</u>