



**Mudajaya Group Berhad**

Company No. 200301003119 (605539-H)  
(Incorporated in Malaysia)

**Interim Financial Report  
30 June 2020**



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-JUN-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUN-19 RM'000	CURRENT YEAR TO DATE 30-JUN-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-JUN-19 RM'000
<b>Continuing Operations</b>				
Revenue	47,104	86,054	134,026	186,147
Operating expenses	(35,359)	(77,696)	(103,821)	(157,575)
Profit from operations	11,745	8,358	30,205	28,572
Interest income	1,783	3,704	4,046	6,858
Other income	1,020	649	1,738	2,020
Foreign exchange gain/(loss)	1,583	(2,063)	(9,793)	5,539
Fair value gain/(loss) on derivative	110	2,677	9,178	(5,946)
Depreciation and amortization	(7,122)	(7,133)	(14,092)	(14,302)
Gain/(Loss) on disposal of property, plant and equipment	-	2	23	(7)
ESOS expenses	(99)	(183)	(197)	(366)
Net loss on impairment of financial instruments	(611)	(11,191)	(1,234)	(11,826)
Interest expense	(13,061)	(13,573)	(26,443)	(27,126)
Share of results of associates, net of tax	3,101	(11,591)	303	(56,192)
Reversal of unrealised profit adjustment	-	-	-	1,137
Loss before tax	(1,551)	(30,344)	(6,266)	(71,639)
Income tax expense	(296)	(490)	(1,123)	(795)
Loss after tax	(1,847)	(30,834)	(7,389)	(72,434)



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-JUN-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUN-19 RM'000	CURRENT YEAR TO DATE 30-JUN-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-JUN-19 RM'000
<b>Loss after tax (continued)</b>	(1,847)	(30,834)	(7,389)	(72,434)
<b>Other comprehensive expenses:</b>				
Foreign currency translation differences	(192)	1,062	(1,115)	(359)
Total comprehensive expense	(2,039)	(29,772)	(8,504)	(72,793)
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company	(2,373)	(31,585)	(8,713)	(73,848)
Non-controlling interest	526	751	1,324	1,414
	(1,847)	(30,834)	(7,389)	(72,434)
<b>Total comprehensive (expense)/ income attributable to:</b>				
Owners of the Company	(6,352)	(30,674)	(9,800)	(73,918)
Non-controlling interest	4,313	902	1,296	1,125
	(2,039)	(29,772)	(8,504)	(72,793)
<b>Loss per share attributable to equity holders of the Company:</b>				
Basic and diluted loss per share (sen)	(0.41)	(5.35)	(1.48)	(12.52)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2019.

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.



**MUDAJAYA GROUP BERHAD**  
(Incorporated in Malaysia – 200301003119)(605539-H)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**  
(The figures have not been audited)

	AS AT 30-JUN-20 RM'000	AS AT 31-DEC-2019 RM'000
<b>Assets</b>		
Property, plant and equipment	26,403	26,028
Right of use assets	48,427	53,366
Investment properties	51,718	52,413
Intangible asset	8,983	9,293
Service concession assets	309,155	317,079
Investment in associates	8,142	7,839
Other investments	936	936
Deferred tax asset	2,066	2,066
<b>Total non-current assets</b>	<b>455,830</b>	<b>469,020</b>
Inventories	120,863	123,279
Other current assets	199,587	199,587
Contract assets	28,396	65,014
Trade and other receivables	128,229	166,064
Tax recoverable	2,690	2,655
Derivative financial assets	8,667	-
Cash and bank balances	333,849	301,875
<b>Total current assets</b>	<b>822,281</b>	<b>858,474</b>
<b>Total assets</b>	<b>1,278,111</b>	<b>1,327,494</b>
<b>Equity</b>		
Share capital	393,172	393,172
Treasury shares	(36,075)	(36,075)
Employees' share option reserve	10,262	10,065
Foreign currency translation reserve	1,450	2,537
Retained earnings	(231,498)	(222,785)
<b>Equity attributable to owners of the Company</b>	<b>137,311</b>	<b>146,914</b>
Non-controlling interests	34,223	32,927
<b>Total equity</b>	<b>171,534</b>	<b>179,841</b>
<b>Liabilities</b>		
Loans and borrowings	246,869	464,107
Lease liabilities	45,450	46,108
Refundable deposits	2,204	2,201
Deferred tax liabilities	8,710	8,710
<b>Total non-current liabilities</b>	<b>303,233</b>	<b>521,036</b>
Loans and borrowings	626,059	413,258
Lease liabilities	2,649	4,886
Trade and other payables	150,973	177,873
Contract liabilities	11,107	14,046
Tax liabilities	6,897	10,384
Derivative financial liabilities	-	511
Deferred income	5,659	5,659
<b>Total current liabilities</b>	<b>803,344</b>	<b>626,617</b>
<b>Total liabilities</b>	<b>1,106,577</b>	<b>1,147,653</b>
<b>Total equity and liabilities</b>	<b>1,278,111</b>	<b>1,327,494</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	<b>0.23</b>	<b>0.25</b>

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 2019.

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



**MUDAJAYA GROUP BERHAD**  
(Incorporated in Malaysia – 200301003119)(605539-H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

(The figures have not been audited)

	← Attributable to owners of the Company →					Distributable	Non-controlling interests	Total equity
	Non-distributable		Employees' share option reserve	Foreign currency translation reserve	Accumulated losses			
	Share capital RM'000	Treasury Shares RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2020</b>	393,172	(36,075)	10,065	2,537	(222,785)	146,914	32,927	179,841
Foreign currency translation differences for foreign operations	-	-	-	(1,087)	-	(1,087)	(28)	(1,115)
(Loss)/Profit for the period	-	-	-	-	(8,713)	(8,713)	1,324	(7,389)
<b>Total comprehensive (expense)/income</b>	-	-	-	(1,087)	(8,713)	(9,800)	(1,296)	(8,504)
<b>Contribution by and distributions to owners of the Company</b>								
Share-based payment transaction	-	-	197	-	-	197	-	197
<b>Total transactions with owners of the Company</b>	-	-	197	-	-	197	-	197
<b>At 30 June 2020</b>	<b>393,172</b>	<b>(36,075)</b>	<b>10,262</b>	<b>1,450</b>	<b>(231,498)</b>	<b>137,311</b>	<b>34,223</b>	<b>171,534</b>
<b>At 1 January 2019</b>	<b>393,172</b>	<b>(36,075)</b>	<b>9,727</b>	<b>(14,566)</b>	<b>(136,304)</b>	<b>215,954</b>	<b>28,560</b>	<b>244,514</b>
Foreign currency translation differences for foreign operations	-	-	-	(70)	-	(70)	(289)	(359)
(Loss)/Profit for the period	-	-	-	-	(73,848)	(73,848)	1,414	(72,434)
<b>Total comprehensive (expense)/income</b>	-	-	-	(70)	(73,848)	(73,918)	1,125	(72,793)
<b>Contribution by and distributions to owners of the Company</b>								
Share-based payment transaction	-	-	366	-	-	366	-	366
<b>Total transactions with owners of the Company</b>	-	-	366	-	-	366	-	366
<b>At 30 June 2019</b>	<b>393,172</b>	<b>(36,075)</b>	<b>10,093</b>	<b>(14,636)</b>	<b>(210,152)</b>	<b>142,402</b>	<b>29,685</b>	<b>172,087</b>



**MUDAJAYA GROUP BERHAD**  
(Incorporated in Malaysia – 200301003119)(605539-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

(The figures have not been audited)

	<b>6 MONTHS ENDED</b>	
	<b>30-JUN-20</b>	<b>30-JUN-19</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(6,266)	(71,639)
<i>Adjustments for:</i>		
Amortisation of intangible asset	310	310
Amortisation of service concession assets	8,051	8,056
Depreciation of investment properties	523	523
Depreciation of property, plant and equipment	2,729	4,210
Depreciation of right-of-use assets	2,479	1,203
ESOS expenses	197	366
(Gain)/Loss on disposal of property, plant and equipment	(23)	7
Fair value (gain)/loss on derivative	(9,178)	5,946
Impairment loss of trade and other receivables	1,234	11,826
Interest income	(4,046)	(6,858)
Interest expense	26,443	27,126
Share of loss of equity accounted associates	(303)	56,192
Reversal of unrealised profits on equipment supply contract	-	(1,137)
Net unrealised loss/(gain) on foreign exchange	9,793	(6,736)
<b>Operating profit before changes in working capital</b>	<b>31,943</b>	<b>29,395</b>
Change in inventories	2,416	2,616
Change in right of use assets	-	(47,145)
Change in contract assets	36,618	(11,056)
Change in contract costs	-	68
Change in trade and other receivables	46,326	65,116
Change in lease liabilities	-	46,742
Change in trade and other payables	(26,896)	(92,908)
Change in contract liabilities	(2,939)	(17,954)
Cash generated from/(used in) operations	87,468	(25,126)
Tax paid	(4,647)	(2,372)
Tax refunded	2	2,120
<b>Net cash generated from/(used in) operating activities</b>	<b>82,823</b>	<b>(25,378)</b>
<b>Cash flows from investing activities</b>		
Addition in service concession assets	(127)	(763)
Repayment from/(Advance to) an associate	1,109	(156)
Interest received	4,046	6,858
Purchase of property, plant and equipment	(388)	(1,606)
Proceeds from disposal of property, plant and equipment	23	230
Change in pledged deposits	(13,622)	7,692
<b>Net cash (used in)/generated from investing activities</b>	<b>(8,959)</b>	<b>12,255</b>



**MUDAJAYA GROUP BERHAD**  
(Incorporated in Malaysia – 200301003119)(605539-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

(The figures have not been audited)

	<b>6 MONTHS ENDED</b>	
	<b>30-JUN-20</b>	<b>30-JUN-19</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>		
Repayment to an associate	-	(1,784)
Interest paid	(25,175)	(27,126)
Payment of lease liabilities	(2,135)	-
Net (repayment)/drawdown of loan and borrowings	(26,178)	14,064
Repayment of finance lease liabilities	(2,024)	(2,470)
<b>Net cash used in financing activities</b>	<u>(55,512)</u>	<u>(17,316)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	18,352	(30,439)
<b>Cash and cash equivalents as at the beginning of the period</b>	<u>53,650</u>	<u>100,088</u>
<b>Cash and cash equivalents as at the end of the period</b>	<u>72,002</u>	<u>69,649</u>
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise:		
Cash and bank balances	41,790	26,646
Deposits placed with financial institutions	<u>292,059</u>	<u>265,945</u>
	333,849	292,591
Less:		
Pledged deposits	<u>(261,847)</u>	<u>(222,942)</u>
	<u>72,002</u>	<u>69,649</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2019.



**MUDAJAYA GROUP BERHAD**  
(Incorporated in Malaysia – 200301003119)(605539-H)

## **QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

### **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 2019. 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 2019.

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 period ended 30 June 2020, the Group relied on RKM’s unaudited accounts for the period ended 30 June 2020. However, the carrying amount of investment in RKM had already adjusted to nil by 31 December 2019 and consequently no further equity accounting of RKM’s losses were made since then.

#### **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”):

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020***

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosure – Interest Rate Benchmark Reform\**

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

The amendments marked with "\*" is not applicable to the Group.

#### **2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report on the financial statements for the year ended 31 December 2019 was not subject to any qualification.





**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**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 June 2020. As at 30 June 2020, 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 period ended 30 June 2020. As at 30 June 2020, a total of 4,102,000 new ordinary shares have been issued under the ESOS.

**7. DIVIDEND PAID**

There were no dividends paid during the period under review.

**8. SIGNIFICANT RELATED PARTY TRANSACTIONS**

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

	<b>6 MONTHS ENDED 30-JUN-20 RM'000</b>	<b>6 MONTHS ENDED 30-JUN-19 RM'000</b>
<b>Associates</b>		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	1,235	1,284
Secondment fee	199	172
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	1,264	1,264
Secondment fee	65	78
Corporate guarantee fee	149	148
Repayment from	216	234



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**9. SEGMENTAL INFORMATION**

**QUARTERLY RESULTS:**

	Construction contracts	Property	Power	Trading, manufacturing and others	Adjustments and eliminations	Total
Q2 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue:</b>						
External customers	27,050	3,504	11,301	5,249	-	47,104
Inter-segment	-	512	477	534	(1,523)	-
<b>Total revenue</b>	<b>27,050</b>	<b>4,016</b>	<b>11,778</b>	<b>5,783</b>	<b>(1,523)</b>	<b>47,104</b>

**Results:**

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

(Loss)/Profit before tax	(2,227)	943	5,208	(5,445)	(30)	(1,551)
Interest income	486	26	895	376	-	1,783
Interest expenses	(3,927)	(41)	(4,301)	(4,792)	-	(13,061)
Depreciation and amortisation	(1,057)	(384)	(4,937)	(744)	-	(7,122)
Share of (loss)/profit of associates	(106)	-	3,207	-	-	3,101
ESOS expenses	(99)	-	-	-	-	(99)
Income tax (expense)/income	-	(289)	(51)	44	-	(296)
(Loss)/Profit after tax	(2,227)	654	5,157	(5,401)	(30)	(1,847)

	Construction contracts	Property	Power	Trading, manufacturing and others	Adjustments and eliminations	Total
Q2 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue:</b>						
External customers	54,591	6,076	11,483	13,904	-	86,054
Inter-segment	-	504	462	3,803	(4,769)	-
<b>Total revenue</b>	<b>54,591</b>	<b>6,580</b>	<b>11,945</b>	<b>17,707</b>	<b>(4,769)</b>	<b>86,054</b>

**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 profit/(loss) of associates	149	-	(11,740)	-	-	(11,591)
ESOS expenses	(183)	-	-	-	-	(183)
Income tax expense	-	(379)	(111)	-	-	(490)
(Loss)/Profit after tax	(8,587)	1,723	(18,724)	(4,681)	(565)	(30,834)



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**9. SEGMENTAL INFORMATION (CONTINUED)**

**YEAR-TO-DATE RESULTS:**

	Construction contracts	Property	Power	Trading, manufacturing and others	Adjustments and eliminations	Total
6 MONTHS ENDED 30-JUN-2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue:</b>						
External customers	84,411	7,671	24,427	17,517	-	134,026
Inter-segment	-	1,015	962	3,384	(5,361)	-
<b>Total revenue</b>	<b>84,411</b>	<b>8,686</b>	<b>25,389</b>	<b>20,901</b>	<b>(5,361)</b>	<b>134,026</b>
<b>Results:</b>						
<b>Included in the measure of segment profit/(loss) are:</b>						
(Loss)/Profit before tax	(6,492)	2,353	6,464	(8,561)	(30)	(6,266)
Interest income	808	65	1,902	1,271	-	4,046
Interest expenses	(8,074)	(94)	(8,683)	(9,592)	-	(26,443)
Depreciation and amortisation	(2,197)	(767)	(9,604)	(1,524)	-	(14,092)
Share of profit of associates	53	-	250	-	-	303
ESOS expenses	(197)	-	-	-	-	(197)
Income tax expenses	-	(731)	(95)	(297)	-	(1,123)
(Loss)/Profit after tax	(6,492)	1,622	6,369	(8,858)	(30)	(7,389)
<b>Assets:</b>						
<b>Included in the measure of segment assets are:</b>						
Investment in associates	4,934	-	3,208	-	-	8,142
Additions to non-current assets	43	113	138	221	-	515
Segment assets	512,449	234,479	477,441	722,377	(668,635)	1,278,111
<b>Segment liabilities</b>	<b>462,315</b>	<b>104,034</b>	<b>438,805</b>	<b>350,819</b>	<b>(249,396)</b>	<b>1,106,577</b>



**MUDAJAYA GROUP BERHAD**  
(Incorporated in Malaysia – 200301003119)(605539-H)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**9. SEGMENTAL INFORMATION (CONTINUED)**

**YEAR-TO-DATE RESULTS (CONTINUED):**

	Construction contracts	Property	Power	Trading, manufacturing and others	Adjustments and eliminations	Total
6 MONTHS ENDED 30-JUN-2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue:</b>						
External customers	123,527	12,057	25,848	24,715	-	186,147
Inter-segment	-	743	935	6,619	(8,297)	-
<b>Total revenue</b>	<b>123,527</b>	<b>12,800</b>	<b>26,783</b>	<b>31,334</b>	<b>(8,297)</b>	<b>186,147</b>
<b>Results:</b>						
<b>Included in the measure of segment profit/(loss) are:</b>						
(Loss)/Profit 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)
(Loss)/Profit after tax	<b>(6,023)</b>	<b>2,360</b>	<b>(59,140)</b>	<b>(9,066)</b>	<b>(565)</b>	<b>(72,434)</b>
<b>Assets:</b>						
<b>Included in the measure of segment assets are:</b>						
Investment in associates	4,469	-	11,566	-	-	16,035
Additions to non-current assets	6	753	795	815	-	2,369
Segment assets	<b>769,483</b>	<b>237,686</b>	<b>510,953</b>	<b>678,896</b>	<b>(731,837)</b>	<b>1,465,181</b>
<b>Segment liabilities</b>	<b>661,934</b>	<b>110,551</b>	<b>480,991</b>	<b>289,625</b>	<b>(250,007)</b>	<b>1,293,094</b>

^ 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 PT Harmoni Energy Indonesia (a 46% owned associate incorporated in Indonesia).



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The carrying amount of the property, plant and equipment is at cost less depreciation and impairment losses. There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

**11. SUBSEQUENT EVENTS**

There were no material events subsequent to the current quarter.

**12. CHANGES IN COMPOSITION OF THE GROUP**

There were no material 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.

**14. 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 24 February 2020, BMSB granted the Company an extension of time up to 5 September 2020 to complete the proposal. The Company has on 19 August 2020 announced the price-fixing of the new shares to be issued pursuant to the proposal ("Placement Shares") at an issue price of RM0.2388 per Placement Share. The proposal was completed on 27 August 2020 following the listing and quotation of 58,987,000 Placement Shares on 27 August 2020. The gross proceeds raised from the proposal is RM14.09 million and will be utilised in the following manner:-

<b>Details of utilisation</b>	<b>Intended timeframe for utilisation</b>	<b>Proposed utilisation (RM'000)</b>
Partial repayment of borrowings	Within 6 months	10,000
Working capital	Within 6 months	3,966
Estimated expenses	Upon completion	120
		<hr/> <hr/> <b>14,086</b>



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**15. REVIEW OF PERFORMANCE**

**QUARTERLY ANALYSIS:**

	Individual Quarter			
	Current Year Quarter 30-JUN-2020 RM'000	Preceding Year Corresponding Quarter 30-JUN-2020 RM'000	Changes	
			RM'000	%
Revenue	47,104	86,054	(38,950)	(45)
Profit from operations	11,745	8,358	3,387	41
Profit/(Loss) before interest and tax	11,510	(16,771)	28,281	169
Loss before tax	(1,551)	(30,344)	28,793	95
Loss after tax	(1,847)	(30,834)	28,987	94
Loss attributable to owners of the Company	(2,373)	(31,585)	29,212	92

*Please refer Note 8 - Segmental information for the results of the respective business segments*

**Revenue**

Revenue for the current quarter of RM47.1 million decreased by 45% or RM38.7 million compared to RM86.1 million in the corresponding quarter of 2019. This is mainly due to slower progress of the on-going construction projects and lower properties and precast products sales which were impacted by the movement control order ("MCO") introduced by the government due to the Covid-19 pandemic. Revenue generated from power segment was however not impacted and remains consistent as it is classified as one of the "Essential Services" listed in the Federal Gazette.

**Loss before tax ("LBT")**

The Group's LBT improved substantially from RM30.3 million in the corresponding quarter of 2019 to RM1.6 million in the current quarter mainly due to the cessation of equity accounting of RKM's losses as its net carrying amount in the Group's book had already been adjusted to nil at the year-end of 2019. Apart from that, the current quarter results recorded a lower impairment of receivables as compared to the corresponding quarter of 2019, which resulted in the power segment recording a profit before tax of RM5.2 million in the current quarter as compared to LBT of RM18.6 million in the corresponding quarter of 2019.



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**15. REVIEW OF PERFORMANCE (CONTINUED)**

**YEAR-TO-DATE ANALYSIS:**

	Cumulative Period			
	Current Year To-date 30-JUN-2020 RM'000	Preceding Year Corresponding Period 30-JUN-2020 RM'000	Changes	
			RM'000	%
Revenue	134,026	186,147	(51,121)	(28)
Profit from operations	30,205	28,572	1,633	6
Profit/(Loss) before interest and tax	20,177	(44,513)	64,690	145
Loss before tax	(6,266)	(71,639)	65,373	91
Loss after tax	(7,389)	(72,434)	65,045	90
Loss attributable to owners of the Company	(8,713)	(73,848)	65,135	88

*Please refer Note 8 - Segmental information for the results of the respective business segments*

**Revenue**

The Group recorded lower revenue of RM134.0 million in the current six months ended 30 June 2020 as compared to revenue of RM186.1 million for the corresponding period ended 30 June 2019. As mentioned above, this is mainly due to slower progress of the on-going construction projects and lower properties and precast products sales which were impacted by the movement control order ("MCO") introduced by the government due to the Covid-19 pandemic. Lower revenue generated from the power segment in the current period ended 30 June 2020 was mainly due to lower power output which was affected by the available sunhours.

**Loss before tax ("LBT")**

The Group's LBT improved substantially from RM71.7 million in the previous half year to RM6.3 million in the current period ended 30 June 2020 mainly due to the cessation of equity accounting of RKM's losses as its net carrying amount in the Group's books had already been adjusted to nil at the year-end of 2019. Apart from that, the current period's results recorded a lower impairment of receivables as compared to the corresponding period of 2019, which resulted in the power segment recording a profit before tax of RM6.5 million in the current period ended 30 June 2020 as compared to LBT of RM59.0 million for the period ended 30 June 2019.

Current period has recorded a softening of results in the property, manufacturing and trading segments. This was mainly due to the slowing down of operations during the MCO in the current period. However, operations were back to full swing in late-May 2020 with MITI's approval.



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**16. COMPARISON WITH PRECEDING QUARTER'S REPORT**

	Current Year	Immediate	Changes	
	Quarter	Preceding	RM'000	%
	30-JUN-2020	Quarter	RM'000	
		31-MAR-2020		
Revenue	47,104	86,922	(39,818)	(46)
Profit from operations	11,745	18,640	(6,715)	(36)
Profit before interest and tax	11,510	8,667	2,843	33
Loss before tax	(1,551)	(4,715)	3,164	67
Loss after tax	(1,847)	(5,542)	3,695	67
Loss attributable to owners of the Company	(2,373)	(6,340)	3,967	63

The Group reported revenue of RM47.1 million and LBT of RM1.6 million in the current quarter as compared to revenue of RM86.9 million and LBT of RM4.7 million in the immediate preceding quarter. Lower revenue in the current quarter is mainly due to slower progress in the construction projects which were affected by the MCO. Nevertheless, LBT in current quarter improved mainly due to higher shares of profit from the associated companies coupled with foreign exchange gain contributed by the strengthening of RM against USD in the current quarter.

**17. PROSPECTS**

Despite the slower economic growth in Malaysia, the Group will continue to actively participate in open biddings for both public and private projects to replenish its order book, supported by the Group experience and competitiveness in the construction sector. In addition, the Group's total order book of RM1.3 billion currently is expected to sustain its operations over the next two years.

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 participate in upcoming large scale solar farm projects.

On 7 June 2020, the government had announced the Recovery Movement Control Order ("RMCO") to replace the earlier Conditional Movement Control Order. The RMCO which came into effect on 10 June 2020 until 31 August 2020, has allowed almost all economic sectors to operate on condition of specified Covid-19 prevention procedures in place. Following from the implementation of the Economic Stimulus Packages of RM295 billion by the government, the Group has benefited from the Wage Subsidy Programme and Employee Retention Programme. The Group expects its operating results will also benefit from the implementation of the PRIHATIN ESP, additional PRIHATIN and the Short-term Economic Recovery Plan (PENJANA) which aim to address the adverse impact from the COVID-19 crisis. Meanwhile, the Group will also proactively pursue disciplined cost optimisation and active capital management to strengthen its financial position.





**MUDAJAYA GROUP BERHAD**  
(Incorporated in Malaysia – 200301003119)(605539-H)

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**18. VARIANCE ON PROFIT FORECAST**

The Company did not issue any profit forecast or profit guarantee during the current quarter under review.

**19. INCOME TAX EXPENSE**

	<b>CURRENT QUARTER 30-JUN-20 RM'000</b>	<b>6 MONTHS ENDED 30-JUN-20 RM'000</b>
Current income tax		
- Malaysian income tax	296	1,123

For current quarter, the Group's effective tax rate is higher than the Malaysian statutory rate of 24% mainly due to the tax exemption from the renewable energy segment and expenses not deductible for tax purpose.



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**20. GROUP BORROWINGS AND DEBT SECURITIES**

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

<b>As at 30 JUNE 2020</b>				
	Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>				
Revolving credits	Floating	-	125,500	125,500
Invoice financing	Floating	-	2,347	2,347
Term loan denominated in USD (USD50 million)	Fixed	-	214,317	214,317
Term loan denominated in RM	Fixed/Floating	16,869	6,182	23,051
Green SRI Sukuk Wakalah	Fixed	230,000	10,000	240,000
		<u>246,869</u>	<u>358,346</u>	<u>605,215</u>
<b>Unsecured</b>				
Revolving credits	Floating	-	4,000	4,000
Bankers' acceptance	Floating	-	6,532	6,532
Term loan denominated in USD (USD20 million)	Fixed	-	85,727	85,727
Euro Medium Term Notes ("EMTN") denominated in USD (USD40 million)	Fixed	-	171,454	171,454
		<u>-</u>	<u>267,713</u>	<u>267,713</u>
<b>Total Group's borrowings</b>		<u>246,869</u>	<u>626,059</u>	<u>872,928</u>
<b>As at 30 JUNE 2019</b>				
	Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>				
Revolving credits	Floating	-	126,500	126,500
Invoice financing	Floating	-	25,919	25,919
Finance lease liabilities	Fixed	1,737	4,316	6,053
Term loan denominated in USD (USD50 million)	Fixed	206,721	-	206,721
Term loan denominated in RM	Fixed/Floating	22,773	6,434	29,207
Green SRI Sukuk Wakalah	Fixed	245,000	-	245,000
		<u>476,231</u>	<u>163,169</u>	<u>639,400</u>
<b>Unsecured</b>				
Revolving credits	Floating	-	4,000	4,000
Islamic Medium Term Notes("IMTN")	Floating	-	7,492	7,492
Euro Medium Term Notes ("EMTN") denominated in USD (USD40 million)	Fixed	-	248,065	248,065
		<u>-</u>	<u>259,557</u>	<u>259,557</u>
<b>Total Group's borrowings</b>		<u>476,231</u>	<u>422,726</u>	<u>898,957</u>



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**20. GROUP BORROWINGS AND DEBT SECURITIES (CONTINUED)**

- ii. Total borrowings are reduced from RM899.0 million as at 30 June 2019 to RM872.9 million as at 30 June 2020 is mainly due to repayment of loan and borrowings during the period under review.
- iii. Total repayment of borrowings in current quarter amounted to RM26.2 million with an estimated net interest savings of RM0.8 million per annum.
- iv. The weighted average interest rate of the Group's borrowings is 5.65% per annum.

**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:

	<b>AS AT 30-JUN-20 RM'000</b>
Neither past due nor impaired	58,776
1 to 30 days past due but not impaired	8,067
31 to 60 days past due but not impaired	78
61 to 90 days past due but not impaired	41
91 to 120 days past due but not impaired	430
More than 120 days past due but not impaired	8,504
	17,120
Trade receivables that are impaired	(5,634)
	<u>70,262</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 parties.



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**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 2020.

**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.

	<b>CURRENT QUARTER 30-JUN-20</b>	<b>6 MONTHS ENDED 30-JUN-20</b>
<u>Basic and Diluted loss per share:-</u>		
Loss for the period/year attributable to owners of the Company (RM'000)	<u>(2,373)</u>	<u>(8,713)</u>
Weighted average number of ordinary shares ('000)	589,875	589,875
Basic and diluted loss per share (sen)	<u>(0.40)</u>	<u>(1.48)</u>