



Mudajaya Group Berhad

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

**Interim Financial Report
30 September 2020**



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-SEP-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-SEP-19 RM'000	CURRENT YEAR TO DATE 30-SEP-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-SEP-19 RM'000
Revenue	88,847	110,177	222,873	296,324
Operating expenses	(71,386)	(89,810)	(175,207)	(247,385)
Profit from operations	17,461	20,367	47,666	48,939
Interest income	1,180	2,421	5,226	9,279
Other income	899	783	2,637	2,803
Foreign exchange gain/(loss)	5,948	(2,140)	(3,845)	3,399
Fair value (loss)/gain on derivative	(5,610)	2,638	3,568	(3,308)
Depreciation and amortization	(6,936)	(7,127)	(21,028)	(21,429)
Gain on disposal of property, plant and equipment	35	270	58	263
ESOS expenses	(99)	(183)	(296)	(549)
Net loss on impairment of financial instruments	(592)	(1,437)	(1,826)	(13,263)
Interest expense	(12,607)	(13,492)	(39,050)	(40,618)
Share of results of associates, net of tax	(739)	339	(436)	(55,853)
Reversal of unrealised profit adjustment	-	-	-	1,137
(Loss)/Profit before tax	(1,060)	2,439	(7,326)	(69,200)
Income tax expense	(1,320)	(699)	(2,443)	(1,494)
(Loss)/Profit after tax	(2,380)	1,740	(9,769)	(70,694)



MUDAJAYA GROUP BERHAD

(Incorporated in Malaysia – 200301003119)(605539-H)

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

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-SEP-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-SEP-19 RM'000	CURRENT YEAR TO DATE 30-SEP-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-SEP-19 RM'000
(Loss)/Profit after tax (continued)	(2,380)	1,740	(9,769)	(70,694)
Other comprehensive income/ (expenses):				
Foreign currency translation differences	690	(306)	(425)	(665)
Total comprehensive (expense)/ income	(1,690)	1,434	(10,194)	(71,359)
(Loss)/Profit attributable to:				
Owners of the Company	(3,174)	812	(11,887)	(73,036)
Non-controlling interest	794	928	2,118	2,342
	(2,380)	1,740	(9,769)	(70,694)
Total comprehensive (expense)/ income attributable to:				
Owners of the Company	(2,501)	506	(12,301)	(73,412)
Non-controlling interest	811	928	2,107	2,053
	(1,690)	1,434	(10,194)	(71,359)
(Loss)/Earnings per share attributable to equity holders of the Company:				
Basic and diluted (loss)/earnings per share (sen)	(0.53)	0.14	(1.99)	(12.38)

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 the weighted average number of ordinary shares of 596,429,000.



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

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

	AS AT 30-SEP-20 RM'000	AS AT 31-DEC-19 RM'000
Assets		
Property, plant and equipment	26,017	26,028
Right of use assets	47,022	53,366
Investment properties	51,549	52,413
Intangible asset	8,828	9,293
Service concession assets	306,842	317,079
Investment in associates	7,403	7,839
Other investments	936	936
Deferred tax asset	2,066	2,066
Total non-current assets	450,663	469,020
Inventories	137,702	123,279
Other current assets	199,587	199,587
Contract assets	44,672	65,014
Trade and other receivables	125,629	166,064
Tax recoverable	2,605	2,655
Derivative financial assets	3,057	-
Cash and bank balances	307,314	301,875
Total current assets	820,566	858,474
Total assets	1,271,229	1,327,494
Equity		
Share capital	407,258	393,172
Treasury shares	(36,075)	(36,075)
Employees' share option reserve	10,361	10,065
Foreign currency translation reserve	2,123	2,537
Retained earnings	(234,672)	(222,785)
Equity attributable to owners of the Company	148,995	146,914
Non-controlling interests	35,034	32,927
Total equity	184,029	179,841
Liabilities		
Loans and borrowings	245,266	464,107
Lease liabilities	45,204	46,108
Refundable deposits	2,322	2,201
Deferred tax liabilities	8,710	8,710
Total non-current liabilities	301,502	521,036
Loans and borrowings	612,459	413,258
Lease liabilities	1,947	4,886
Trade and other payables	153,771	177,873
Contract liabilities	4,370	14,046
Tax liabilities	7,492	10,384
Derivative financial liabilities	-	511
Deferred income	5,659	5,659
Total current liabilities	785,698	626,617
Total liabilities	1,087,200	1,147,653
Total equity and liabilities	1,271,229	1,327,494
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.23	0.25

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 664,405,466 ordinary shares less treasury shares.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020
(The figures have not been audited)

	← Attributable to owners of the Company →					Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Employees' share option reserve RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000			
At 1 January 2020	393,172	(36,075)	10,065	2,537	(222,785)	146,914	32,927	179,841
Foreign currency translation differences for foreign operations (Loss)/Profit for the period	-	-	-	(414)	-	(414)	(11)	(425)
Total comprehensive (expense)/income	-	-	-	(414)	(11,887)	(11,887)	2,118	(9,769)
Contribution by and distributions to owners of the Company	-	-	-	(414)	(11,887)	(12,301)	2,107	(10,194)
Issue of ordinary shares	14,086	-	-	-	-	14,086	-	14,086
Share-based payment transaction	-	-	296	-	-	296	-	296
Total transactions with owners of the Company	14,086	-	296	-	-	14,382	-	14,382
At 30 September 2020	407,258	(36,075)	10,361	2,123	(234,672)	148,995	35,034	184,029
At 1 January 2019	393,172	(36,075)	9,727	(14,566)	(136,304)	215,954	28,560	244,514
Foreign currency translation differences for foreign operations (Loss)/Profit for the period	-	-	-	(376)	-	(376)	(289)	(665)
Total comprehensive (expense)/income	-	-	-	(376)	(73,036)	(73,036)	2,342	(70,694)
Contribution by and distributions to owners of the Company	-	-	-	(376)	(73,036)	(73,412)	2,053	(71,359)
Share-based payment transaction	-	-	549	-	-	549	-	549
Total transactions with owners of the Company	-	-	549	-	-	549	-	549
At 30 September 2019	393,172	(36,075)	10,276	(14,942)	(209,340)	143,091	30,613	173,704



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

(The figures have not been audited)

	9 MONTHS ENDED	
	30-SEP-20	30-SEP-19
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(7,326)	(69,200)
<i>Adjustments for:</i>		
Amortisation of intangible asset	465	465
Amortisation of service concession assets	12,268	12,153
Depreciation of investment properties	784	784
Depreciation of property, plant and equipment	3,882	6,203
Depreciation of right-of-use assets	3,629	1,823
ESOS expenses	296	549
Gain on disposal of property, plant and equipment	(58)	(263)
Fair value (gain)/loss on derivative	(3,568)	3,308
Impairment loss of trade and other receivables	1,826	13,263
Interest income	(5,226)	(9,279)
Interest expense	39,050	40,618
Share of loss of equity accounted associates	436	55,853
Reversal of unrealised profits on equipment supply contract	-	(1,137)
Net unrealised loss/(gain) on foreign exchange	3,506	(4,114)
Operating profit before changes in working capital	49,964	51,026
Change in inventories	(14,423)	9,335
Change in contract assets	20,342	(20,367)
Change in contract costs	-	68
Change in trade and other receivables	42,555	45,384
Change in trade and other payables	(23,981)	(95,721)
Change in contract liabilities	(9,676)	(23,750)
Cash generated from/(used in) operations	64,781	(34,025)
Tax paid	(5,287)	(3,419)
Tax refunded	2	11,816
Net cash generated from/(used in) operating activities	59,496	(25,628)
Cash flows from investing activities		
Additional expenditure in an investment property	(67)	(24)
Addition in service concession assets	(2,031)	(1,682)
Advance to an associate	(19)	(5,240)
Interest received	5,226	9,279
Purchase of property, plant and equipment	(698)	(1,942)
Proceeds from disposal of property, plant and equipment	58	578
Change in pledged deposits	(11,032)	8,005
Net cash (used in)/generated from investing activities	(8,563)	8,974



MUDAJAYA GROUP BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (CONTINUED)

(The figures have not been audited)

	9 MONTHS ENDED	
	30-SEP-20	30-SEP-19
	RM'000	RM'000
Cash flows from financing activities		
Issue of ordinary shares	14,086	-
Repayment from an associate	-	723
Interest paid	(37,149)	(38,727)
Payment of lease liabilities	(3,249)	(2,510)
Net (repayment)/drawdown of loan and borrowings	(27,498)	12,982
Repayment of finance lease liabilities	(2,716)	(3,656)
Net cash used in financing activities	<u>(56,526)</u>	<u>(31,188)</u>
Net decrease in cash and cash equivalents	(5,593)	(47,842)
Cash and cash equivalents as at the beginning of the period	<u>53,650</u>	<u>100,088</u>
Cash and cash equivalents as at the end of the period	<u>48,057</u>	<u>52,246</u>
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise:		
Cash and bank balances	45,001	20,613
Deposits placed with financial institutions	<u>262,313</u>	<u>254,262</u>
	307,314	274,875
Less:		
Pledged deposits	<u>(259,257)</u>	<u>(222,629)</u>
	<u>48,057</u>	<u>52,246</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.



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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 ending 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 September 2020, the Group relied on RKM’s unaudited management accounts for the relevant period. Notwithstanding, 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**
- Amendments to MFRS 16, *Covid-19-Related Rent Concessions*

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.



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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

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.

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 amounts reported in the 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 2020. As at 30 September 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 September 2020. As at 30 September 2020, a total of 4,102,000 new ordinary shares have been issued under the ESOS.

On 27 August 2020, an additional allotment of 58,987,000 ordinary shares was listed and quoted on the Main Market of Bursa Malaysia Securities Berhad, marking completion of the private placement.



MUDAJAYA GROUP BERHAD
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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

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:

	9 MONTHS ENDED 30-SEP-20 RM'000	9 MONTHS ENDED 30-SEP-19 RM'000
Associates		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	1,826	1,774
Secondment fee	293	252
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<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	1,475	1,896
Secondment fee	97	110
Corporate guarantee fee	225	224
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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION

QUARTERLY RESULTS:

	Construction contracts	Property	Power	Trading, manufacturing and others	Adjustments and eliminations	Total
Q3 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External customers	60,935	5,527	10,734	11,651	-	88,847
Inter-segment	-	511	477	6,827	(7,815)	-
Total revenue	60,035	6,038	11,211	18,478	(7,815)	88,847

Results:

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

(Loss)/Profit before tax	(235)	1,494	(565)	(1,542)	(212)	(1,060)
Interest income	197	25	863	95	-	1,180
Interest expenses	(3,704)	(36)	(4,263)	(4,604)	-	(12,607)
Depreciation and amortisation	(913)	(394)	(4,987)	(642)	-	(6,936)
Share of profit/(loss) of associates	174	-	(913)	-	-	(739)
ESOS expenses	(99)	-	-	-	-	(99)
Income tax expense	-	(457)	(52)	(811)	-	(1,320)
(Loss)/Profit after tax	(235)	1,037	(617)	(2,353)	(212)	(2,380)

	Construction contracts	Property	Power	Trading, manufacturing and others	Adjustments and eliminations	Total
Q3 2019	RM'000	RM'000	RM'000	RM'000	RM'000	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 segment 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 profit of associates	194	-	145	-	-	339
ESOS expenses	(183)	-	-	-	-	(183)
Income tax expense	-	(572)	(3)	(124)	-	(699)
Profit/(Loss) after tax	379	1,632	1,158	(1,429)	-	1,740



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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
9 MONTHS ENDED 30-SEP-2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External customers	145,346	13,198	35,161	29,168	-	222,873
Inter-segment	-	1,526	1,439	10,211	(13,176)	-
Total revenue	145,346	14,724	36,600	39,379	(13,176)	222,873
Results:						
Included in the measure of segment profit/(loss) are:						
(Loss)/Profit before tax	(6,727)	3,847	5,899	(10,103)	(242)	(7,326)
Interest income	1,005	90	2,765	1,366	-	5,226
Interest expenses	(11,778)	(130)	(12,946)	(14,196)	-	(39,050)
Depreciation and amortisation	(3,110)	(1,161)	(14,591)	(2,166)	-	(21,028)
Share of profit/(loss) of associates	227	-	(663)	-	-	(436)
ESOS expenses	(296)	-	-	-	-	(296)
Income tax expenses	-	(1,188)	(147)	(1,108)	-	(2,443)
(Loss)/Profit after tax	(6,727)	2,659	5,752	(11,211)	(242)	(9,769)
Assets:						
Included in the measure of segment assets are:						
Investment in associates	5,108	-	2,295	-	-	7,403
Additions to non-current assets	50	361	2,041	344	-	2,796
Segment assets	492,923	231,083	466,943	701,989	(621,709)	1,271,229
Segment liabilities	455,587	104,194	429,276	344,607	(246,464)	1,087,200



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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
9 MONTHS ENDED 30-SEP-2019	RM'000	RM'000	RM'000	RM'000	RM'000	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 segment profit/(loss) are:						
(Loss)/Profit 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)
(Loss)/Profit after tax	(5,644)	3,992	(57,982)	(10,495)	(565)	(70,694)
Assets:						
Included in the measure of segment assets are:						
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

^ 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

On 6 October 2020, the Company has cancelled 15,543,300 treasury shares in the Company. The total issued capital is diminished from 664,405,466 to 648,862,166 subsequently.

There were no other 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 the current quarter.

14. STATUS OF CORPORATE PROPOSAL

On 27 August 2020, the Company completed its Private Placement exercise with the listing of 58,987,000 ordinary shares on the Main Market of Bursa Malaysia Securities Berhad. The 58,987,000 ordinary shares which were issued at RM0.2388 per share, had raised gross proceeds of RM14.09 million. The proceeds raised from the Private Placement had been fully utilised as at the date of this report in the following manner:-

Details of utilisation	Proposed	Utilisation	Deviation	
	Utilisation	Utilisation	Amount	%
	RM'000	RM'000		
Partial repayment of borrowings	10,000	10,000	-	-
Working capital	3,966	3,966	-	-
Estimated expenses	120	120	-	-
	<u>14,086</u>	<u>14,086</u>	<u>-</u>	<u>-</u>



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

15. REVIEW OF PERFORMANCE

QUARTERLY ANALYSIS:

	Individual Quarter			
	Current Year Quarter 30-SEP-2020 RM'000	Preceding Year Corresponding Quarter 30-SEP-2019 RM'000	Changes	
			RM'000	%
Revenue	88,847	110,177	(21,330)	(19)
Profit from operations	17,461	20,367	(2,906)	(14)
Profit before interest and tax	11,547	15,931	(4,384)	(28)
(Loss)/Profit before tax	(1,060)	2,439	(3,499)	(143)
(Loss)/Profit after tax	(2,380)	1,740	(4,120)	(237)
(Loss)/Profit attributable to owners of the Company	(3,174)	812	(3,986)	(491)

Please refer Note 9 - Segmental information for the results of the respective business segments

The Group reported revenue of RM88.8 million and loss before tax (“LBT”) of RM1.1 million in the current quarter as compared to revenue of RM110.2 million and profit before tax of RM2.4 million in the corresponding quarter of 2019. Lower revenue and LBT reported in the current quarter are mainly due to slower progress of on-going construction projects and lower precast products sales. The Group’s share of loss in its Indonesian associated company, which arose from foreign currency loss, also had contributed to the loss position in the current quarter.

The performance of the respective business segments is as follow:

Construction segment: This segment reported revenue and LBT of RM60.9 million and RM0.2 million respectively in the current quarter as compared to revenue of RM73.3 million and PBT of RM0.4 million in the previous year’s corresponding quarter. Lower revenue and LBT in current quarter are mainly due to slower progress of on-going construction projects.

Property segment: This segment reported revenue and profit before tax (“PBT”) of RM5.5 million and RM1.5 million respectively in the current quarter as compared to RM4.7 million and PBT of RM2.2 million in the previous year’s corresponding quarter. Higher sales of properties in the Batu Kawah New Township, Kuching contributed to the higher revenue in current quarter, however, the decrease in PBT was mainly due to higher sales and marketing expenses incurred in the current quarter.

Power segment: This segment reported revenue and LBT of RM10.7 million and RM0.6 million respectively in the current quarter as compared to revenue of RM12.1 million and PBT of RM1.2 million in the previous year’s corresponding quarter. The lower revenue reported in current quarter is mainly due to lower power output which was affected by the available sunhours during the quarter. LBT in the current quarter is mainly due to the share of loss in the Indonesian associated company as mentioned above.



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

15. REVIEW OF PERFORMANCE (CONTINUED)

QUARTERLY ANALYSIS: (CONTINUED)

Other segment: This segment comprises primarily the manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM11.7 million and RM1.5 million respectively in the current quarter as compared to revenue of RM20.1 million and LBT of RM1.3 million in the previous year's corresponding quarter. Revenue and LBT deteriorated in current quarter mainly due to lower sales in the precast manufacturing operations.

YEAR-TO-DATE ANALYSIS:

	Cumulative Period				
	Current Year To-date	Preceding Year Corresponding Period	Changes		
	30-SEP-2020 RM'000	30-SEP-2019 RM'000	RM'000	%	
Revenue	222,873	296,324	(73,451)	(25)	
Profit from operations	47,666	48,939	(1,273)	(3)	
Profit/(Loss) before interest and tax	31,724	(28,582)	60,306	(211)	
Loss before tax	(7,326)	(69,200)	61,874	(89)	
Loss after tax	(9,769)	(70,694)	60,925	(86)	
Loss attributable to owners of the Company	(11,887)	(73,036)	61,149	(84)	

Please refer Note 9 - Segmental information for the results of the respective business segments

The Group reported revenue of RM222.9 million and loss before tax ("LBT") of RM7.3 million for the period ended 30 September 2020 as compared to revenue of RM296.3 million and LBT of RM69.2 million in the corresponding period ended 30 September 2019. Revenue declined in the current period mainly due to the slower progress on on-going construction projects. Nevertheless, the Group's LBT was reduced in the current period 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 by 31 December 2019.

The performance of the respective business segments is as follows:

Construction segment: This segment reported revenue and LBT of RM145.3 million and RM6.7 million respectively in the current 9 months period as compared to revenue of RM196.9 million and LBT of RM5.6 million in the previous year's corresponding period. As mentioned above, lower revenue and LBT in the current period is mainly due to slower progress in on-going construction projects.

Property segment: This segment reported revenue and profit before tax ("PBT") of RM13.2 million and RM3.8 million respectively in the current 9 months period as compared to revenue of RM16.8 million and PBT of RM5.2 million in the previous year's corresponding period. Lower revenue and PBT in the current period is mainly due to lower sales of properties in the Batu Kawah New Township, Kuching.



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

15. REVIEW OF PERFORMANCE (CONTINUED)

Power segment: This segment reported revenue of RM35.2 million and PBT of RM5.9 million in the current 9-month period as compared to revenue of RM37.9 million and LBT of RM57.9 million in the previous year's corresponding period. PBT reported in the current period is contributed by the sales of renewable energy in both the 49MW Solar Photovoltaic ("PV") power plant in Sungai Siput, Perak and the 10MW PV power plant in Gebeng, Pahang. LBT reported in the corresponding period of year 2019 was mainly due to the share of losses in RKM.

Other segment: This segment comprises primarily the manufacturing, trading and investment divisions of the Group. This segment reported revenue and LBT of RM29.1 million and RM10.1 million respectively in the current nine months period as compared to revenue of RM44.8 million and LBT of RM10.4 million in the previous year's corresponding period. Lower revenue in the current period is mainly due to the decline in the sales of precast products.

16. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year	Immediate	Changes	
	Quarter	Preceding		
	30-SEP-2020	Quarter	RM'000	%
	RM'000	30-JUN-2020	RM'000	
Revenue	88,847	47,104	41,743	89
Profit from operations	17,461	11,745	5,716	49
Profit before interest and tax	11,547	11,510	37	-
Loss before tax	(1,060)	(1,551)	491	32
Loss after tax	(2,380)	(1,847)	(533)	29
Loss attributable to owners of the Company	(3,174)	(2,373)	(801)	34

The Group reported revenue of RM88.8 million and loss before tax ("LBT") of RM1.1 million in the current quarter as compared to revenue of RM47.1 million and LBT of RM1.6 million in the immediate preceding quarter. The Group's overall performance has improved as the Group resumed its operations to its full capacity in the current quarter following from the COVID-19 Movement Control Order stoppage in the immediate preceding quarter.



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

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's experience and competitiveness in the construction sector. In addition, the Group's total order book amounting RM1.1 billion currently is expected to last over the next two to three 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 segment. The Group is keen to expand its footage in the renewable energy sector and will actively participate in upcoming large scale solar farm projects.

Subsequent to the government's implementation of the Economic Stimulus Packages amounting RM295 billion previously, the government had on 23 September 2020 announced additional assistance of RM10 billion under KITA PRIHATIN to boost economic recovery, coupled with the extension of moratorium approval to stimulate the property sector. The Group expects its operating performance will also benefit from the implementation of these government initiatives which aim to counter the adverse impacts from the COVID-19 crisis. The Group has benefited from the Wage Subsidy Programme and Employee Retention Programme. Meanwhile, the Group will also continue to proactively pursue disciplined cost optimisation and active capital management to strengthen its financial position.

Following from the Budget 2021 announcement, the Group also expects to benefit from the Government's commitment to continue spending on infrastructure projects. This includes the Mass Rapid Transit 3 in Klang Valley and the Rapid Transit System Link from Johor Bahru to Woodlands, Singapore. In addition, RM15 billion will be allocated to fund the Pan Borneo Highway, Gemas-Johor Bahru Electrified Double-Tracking Electrified Project and Klang Valley Double Tracking Project Phase One. All these stimuli are considered vital for the construction industry to recover from the devastating impacts of the COVID-19 pandemic.

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

	CURRENT QUARTER 30-SEP-20 RM'000	9 MONTHS ENDED 30-SEP-20 RM'000
Current income tax		
- Malaysian income tax	1,320	2,443

For the current quarter, the Group's effective tax rate is relatively higher than the Malaysian statutory rate of 24% due to certain expenses being non-deductible for tax purposes.



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

20. GROUP BORROWINGS AND DEBT SECURITIES

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

As at 30 SEPTEMBER 2020			
Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Revolving credits	Floating	-	125,500
Invoice financing	Floating	-	3,550
Bankers' acceptance	Floating	-	2,134
Term loan denominated in USD (USD50 million)	Fixed	-	208,007
Term loan denominated in RM Green SRI Sukuk Wakalah	Fixed/Floating	15,266	6,182
	Fixed	230,000	10,000
		<u>245,266</u>	<u>355,373</u>
			<u>600,639</u>
Unsecured			
Revolving credits	Floating	-	4,000
Bankers' acceptance	Floating	-	3,477
Term loan denominated in USD (USD20 million)	Fixed	-	83,203
Euro Medium Term Notes ("EMTN") denominated in USD (USD40 million)	Fixed	-	166,406
		<u>-</u>	<u>257,086</u>
		<u>245,266</u>	<u>612,459</u>
			<u>857,725</u>
Total Group's borrowings			
As at 30 SEPTEMBER 2019			
Interest rate	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Revolving credits	Floating	-	126,500
Invoice financing	Floating	-	26,947
Finance lease liabilities	Fixed	900	3,967
Term loan denominated in USD (USD50 million)	Fixed	209,510	-
Term loan denominated in RM Green SRI Sukuk Wakalah	Fixed/Floating	21,217	6,434
	Fixed	245,000	-
		<u>476,627</u>	<u>163,848</u>
			<u>640,475</u>
Unsecured			
Revolving credits	Floating	-	4,000
Bankers' acceptance	Floating	-	6,938
Euro Medium Term Notes ("EMTN") denominated in USD (USD40 million)	Fixed	-	251,412
		<u>-</u>	<u>262,350</u>
		<u>476,627</u>	<u>426,198</u>
			<u>902,825</u>
Total Group's borrowings			



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

20. GROUP BORROWINGS AND DEBT SECURITIES (CONTINUED)

- ii. Total borrowings reduced from RM902.8 million as at 30 September 2019 to RM857.7 million as at 30 September 2020 mainly due to the repayment of loans and other borrowings during the period under review and an unrealised gain arising from foreign currency borrowings.
- iii. Total repayment of borrowings during the period under review amounted to RM29.6 million with an estimated net interest savings of RM1.4 million per annum.
- iv. The weighted average interest rate of the Group's borrowings is 5.59% 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 that wish to trade on credit terms are subject to its 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-SEP-20 RM'000
Neither past due nor impaired	73,716
1 to 30 days past due but not impaired	1,388
31 to 60 days past due but not impaired	3,530
61 to 90 days past due but not impaired	353
91 to 120 days past due but not impaired	89
More than 120 days past due but not impaired	7,516
	12,876
Trade receivables that are impaired	(5,634)
	<u>80,958</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 QUARTER ENDED 30 SEPTEMBER 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 September 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.

	CURRENT QUARTER 30-SEP-20	9 MONTHS ENDED 30-SEP-20
<u>Basic and Diluted loss per share:-</u>		
Loss for the periods attributable to owners of the Company (RM'000)	<u>(3,174)</u>	<u>(11,887)</u>
Weighted average number of ordinary shares ('000)	596,429	596,429
Basic and diluted loss per share (sen)	<u>(0.53)</u>	<u>(1.99)</u>