



Mudajaya Group Berhad

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

**Interim Financial Report
30 June 2022**



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-JUN-22 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUN-21 RM'000	CURRENT YEAR TO DATE 30-JUN-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-JUN-21 RM'000
Revenue	68,787	62,011	136,273	136,638
Operating expenses	(58,540)	(49,317)	(112,042)	(107,889)
Profit from operations	10,247	12,694	24,231	28,749
Interest income	566	937	1,048	1,870
Other income	913	667	1,719	1,380
Foreign exchange gain/(loss)	193	(176)	379	(8,057)
Fair value gain/(loss) on derivative	40	199	(926)	7,550
Depreciation and amortization	(6,254)	(6,460)	(12,704)	(13,005)
Gain on disposal of property, plant and equipment	1	-	86	-
Fair value gain on other investment	4,000	-	4,000	-
ESOS expenses	-	(30)	-	(61)
Net loss on impairment of financial instruments	(1,800)	(538)	(1,762)	(795)
Finance costs	(7,292)	(11,898)	(14,642)	(23,752)
Share of results of associates, net of tax	1,200	501	3,491	12,126
Reversal of/(Allowance for) impairment loss on investment in an associate	-	2,077	-	(9,155)
Profit/(Loss) before tax	1,814	(2,027)	4,920	(3,150)
Income tax expense	(487)	(658)	(1,222)	(1,800)
Profit/(Loss) after tax	1,327	(2,685)	3,698	(4,950)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-JUN-22 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUN-21 RM'000	CURRENT YEAR TO DATE 30-JUN-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-JUN-21 RM'000
Other comprehensive income/ (expenses):				
Foreign currency translation differences	(1,702)	(55)	(1,990)	(683)
Total comprehensive income/ (expense)	(375)	(2,740)	1,708	(5,633)
Profit/(Loss) attributable to:				
Owners of the Company	659	(3,291)	2,035	(6,274)
Non-controlling interest	668	606	1,663	1,324
	1,327	(2,685)	3,698	(4,950)
Total comprehensive income/ (expense) attributable to:				
Owners of the Company	(1,016)	(3,346)	79	(6,940)
Non-controlling interest	641	606	1,629	1,307
	(375)	(2,740)	1,708	(5,633)
Earnings/(Loss) per share attributable to equity holders of the Company:				
Basic and diluted earnings/(loss) per share (sen)	0.05	(0.53)	0.16	(1.01)

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 2021.

The basic and diluted earnings/(loss) per ordinary shares for both current and corresponding periods were calculated based on the weighted average number of ordinary shares of 1,297,724,000 and 622,646,000 respectively.



MUDAJAYA GROUP BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2022**

	UNAUDITED AS AT 30-JUN-22 RM'000	AUDITED AS AT 31-DEC-21 RM'000
Assets		
Property, plant and equipment	21,578	23,443
Right of use assets	38,324	39,391
Investment properties	50,381	50,843
Intangible asset	7,743	8,053
Service concession assets	276,784	285,084
Investment in associates	20,946	17,455
Other investments	25,936	21,936
Deferred tax asset	2,066	2,066
Total non-current assets	443,758	448,271
Inventories	106,084	112,697
Other current assets	152,361	152,361
Contract assets	20,035	19,282
Trade and other receivables	115,040	120,759
Tax recoverable	2,434	3,405
Derivative financial assets	271	1,197
Cash and bank balances	125,500	146,726
Total current assets	521,725	556,427
Total assets	965,483	1,004,698
Equity		
Share capital	502,054	502,054
Warrant reserves	38,426	38,426
Foreign currency translation reserve	139	2,095
Accumulated losses	(278,245)	(280,280)
Equity attributable to owners of the Company	262,374	262,295
Non-controlling interests	33,536	31,907
Total equity	295,910	294,202
Liabilities		
Loans and borrowings	291,022	305,937
Lease liabilities	42,053	42,573
Refundable deposits	2,487	2,365
Deferred tax liabilities	11,648	11,648
Total non-current liabilities	347,210	362,523
Loans and borrowings	173,689	174,806
Lease liabilities	1,293	1,225
Trade and other payables	126,132	148,420
Contract liabilities	20,116	20,486
Tax liabilities	1,133	3,036
Total current liabilities	322,363	347,973
Total liabilities	669,573	710,496
Total equity and liabilities	965,483	1,004,698
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.20	0.20

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 2021.

The Net Assets Per Share for both current and corresponding periods have been calculated based on 1,297,724,000 ordinary shares.



MUDAJAYA GROUP BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2022

	← Attributable to owners of the Company →					Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Warrant reserve RM'000	Employees' share option reserve RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000			
At 1 January 2022	502,054	38,426	-	2,095	(280,280)	262,295	31,907	294,202
Foreign currency translation differences for foreign operations	-	-	-	(1,956)	-	(1,956)	(34)	(1,990)
Profit for the period	-	-	-	-	2,035	2,035	1,663	3,698
Total comprehensive (expense)/income	-	-	-	(1,956)	2,035	79	1,629	1,708
At 30 June 2022	502,054	38,426	-	139	(278,245)	262,374	33,536	295,910



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2022
(CONTINUED)**

	← Attributable to owners of the Company →							
	← Non-distributable			→ Distributable				
	Share capital RM'000	Warrant reserve RM'000	Employees' share option reserve RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2021	397,730	-	10,278	2,866	(297,070)	113,804	35,970	149,774
Foreign currency translation differences for foreign operations	-	-	-	(666)	-	(666)	(17)	(683)
(Loss)/Profit for the period	-	-	-	-	(6,274)	(6,274)	1,324	(4,950)
Total comprehensive (expense)/income	-	-	-	(666)	(6,274)	(6,940)	1,307	(5,633)
Contribution by and distributions to owners of the Company								
Dividends to non-controlling interest	-	-	-	-	-	-	(5,700)	(5,700)
Share-based payment transaction	-	-	61	-	-	61	-	61
Total transactions with owners of the Company	-	-	61	-	-	61	(5,700)	(5,639)
At 30 June 2021	397,730	-	10,339	2,200	(303,344)	106,925	31,577	138,502



MUDAJAYA GROUP BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
SECOND QUARTER ENDED 30 JUNE 2022**

	6-MONTHS ENDED	
	30-JUN-22	30-JUN-21
	RM'000	RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	4,920	(3,150)
<i>Adjustments for:</i>		
Amortisation of intangible asset	310	310
Amortisation of service concession assets	8,314	8,331
Depreciation of investment properties	531	530
Depreciation of property, plant and equipment	2,268	2,404
Depreciation of right-of-use assets	1,281	1,431
ESOS expenses	-	61
Fair value loss/(gain) on derivative	926	(7,550)
Fair value gain on other investment	(4,000)	-
Gain on disposal of property, plant and equipment	(86)	-
Impairment loss of trade and other receivables	1,762	795
Interest income	(1,048)	(1,870)
Interest expense	14,642	23,752
Share of profit of equity accounted associates	(3,491)	(12,126)
Impairment loss on investment in an associate	-	9,155
Net unrealised loss on foreign exchange	2,908	8,057
Operating profit before changes in working capital	29,237	30,130
Change in inventories	6,613	6,358
Change in contract assets	(753)	26,396
Change in trade and other receivables	3,219	(61,350)
Change in trade and other payables	(22,788)	(8,098)
Change in refundable deposits	122	(58)
Change in contract liabilities	(370)	29,552
Cash generated from operations	15,280	22,930
Tax paid	(2,796)	(2,941)
Tax refunded	1,142	-
Net cash generated from operating activities	13,626	19,989



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

	6-MONTHS ENDED	
	30-JUN-22	30-JUN-21
	RM'000	RM'000
Cash flows from investing activities		
Additional expenditure in an investment property	-	(39)
Addition in service concession assets	(14)	(10)
GST refunded on service concession assets	-	807
Repayment from/(Advance to) associates	3,730	(244)
Interest received	1,048	1,870
Purchase of property, plant and equipment	(475)	(525)
Proceeds from disposal of property, plant and equipment	89	-
Dividend paid to non-controlling interest	-	(5,700)
Change in pledged deposits	13,421	(1,253)
Net cash generated from/(used in) investing activities	<u>17,799</u>	<u>(5,094)</u>
Cash flows from financing activities		
Interest paid	(14,642)	(23,752)
Repayment of loans and borrowings	(23,922)	(19,633)
Repayment for lease liabilities	(666)	(1,057)
Net cash used in financing activities	<u>(39,230)</u>	<u>(44,442)</u>
Net decrease in cash and cash equivalents	(7,805)	(29,547)
Cash and cash equivalents as at the beginning of the year	<u>57,101</u>	<u>59,935</u>
Cash and cash equivalents as at the end of the period	<u>49,296</u>	<u>30,388</u>
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise:		
Cash and bank balances	31,664	25,788
Deposits placed with financial institutions	<u>93,836</u>	<u>257,118</u>
	125,500	282,906
Less:		
Pledged deposits	<u>(76,204)</u>	<u>(252,518)</u>
	<u>49,296</u>	<u>30,388</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 2021.



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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* issued by Malaysia Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market 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 2021.

The significant accounting policies and methods applied in the interim financial statements are consistent with those adopted for the Group’s audited financial statements for the financial year ended 31 December 2021 except for the adoption of the following:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts**
- Amendments to MFRS 17, *Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information**
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

The amendments marked with * are not applicable to the Group.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (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 2021 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. CHANGES IN DEBTS AND EQUITY SECURITIES

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the quarter under review except as disclosed in Note 20.

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:

	6 MONTHS ENDED 30-JUN-22 RM'000	6 MONTHS ENDED 30-JUN-21 RM'000
Associates		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	452	1,078
Secondment fee	124	129
	<hr/>	<hr/>
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	211	105
Secondment fee	65	65
Corporate guarantee fee	148	148
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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION

QUARTERLY RESULTS:

	Construction contracts	Property	Power	Trading and manufacturing	Others	Adjustments and eliminations	Total
Q2 2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:							
External customers	47,618	4,794	11,025	5,350	-	-	68,787
Inter-segment	-	504	510	4,836	-	(5,850)	-
Total revenue	47,618	5,298	11,535	10,186	-	(5,850)	68,787
Results:							
Included in the measure of segment profit/(loss) are:							
(Loss)/Profit before tax	(3,205)	1,243	7,283	(1,045)	(6,117)	3,655	1,814
Interest income	104	21	347	-	94	-	566
Interest expenses	(1,688)	(33)	(3,691)	(60)	(1,820)	-	(7,292)
Depreciation and amortisation	(412)	(418)	(4,948)	(449)	(27)	-	(6,254)
Fair value gain on derivative	40	-	-	-	-	-	40
Fair value gain on other investment	-	-	4,000	-	-	-	4,000
Impairment loss of financial instruments	(1,800)	-	-	-	-	-	(1,800)
Share of (loss)/profit of associates	(130)	-	1,330	-	-	-	1,200
Income tax expenses	-	(435)	(32)	(20)	-	-	(487)
(Loss)/Profit after tax	(3,205)	808	7,251	(1,065)	(6,117)	3,655	1,327



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION (CONTINUED)

QUARTERLY RESULTS: (CONTINUED)

	Construction contracts	Property	Power	Trading and manufacturing	Others	Adjustments and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Q2 2021							
Revenue:							
External customers	39,284	6,645	11,380	4,702	-	-	62,011
Inter-segment	-	504	495	5,226	-	(6,225)	-
Total revenue	39,284	7,149	11,875	9,928	-	(6,225)	62,011
Results:							
Included in the measure of segment profit/(loss) are:							
(Loss)/Profit before tax	(2,372)	1,443	3,554	497	(5,223)	74	(2,027)
Interest income	112	29	755	1	40	-	937
Interest expenses	(3,271)	(34)	(4,045)	(63)	(4,485)	-	(11,898)
Depreciation and amortisation	(653)	(404)	(4,953)	(423)	(27)	-	(6,460)
Fair value gain on derivative	199	-	-	-	-	-	199
Impairment loss of financial instruments	-	-	(538)	-	-	-	(538)
ESOS expenses	(30)	-	-	-	-	-	(30)
Share of profit of associates	226	-	275	-	-	-	501
Reversal of impairment loss on investment in an associate	-	-	2,077	-	-	-	2,077
Income tax expenses	-	(406)	(20)	(232)	-	-	(658)
(Loss)/Profit after tax	(2,372)	1,037	3,534	265	(5,223)	74	(2,685)



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION (CONTINUED)

YEAR-TO-DATE RESULTS:

	Construction contracts	Property	Power	Trading and manufacturing	Others	Adjustments and eliminations	Total
6 MONTHS ENDED 30-JUN-2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:							
External customers	89,901	13,011	22,842	10,519	-	-	136,273
Inter-segment	-	1,007	1,020	11,069	-	(13,096)	-
Total revenue	89,901	14,018	23,862	21,588	-	(13,096)	136,273
Results: Included in the measure of segment profit/(loss) are:							
Profit/(Loss) before tax	116	3,281	7,781	(1,304)	(9,218)	4,264	4,920
Interest income	220	32	689	-	107	-	1,048
Interest expenses	(3,380)	(66)	(7,527)	(118)	(3,551)	-	(14,642)
Depreciation and amortisation	(1,024)	(827)	(9,861)	(938)	(54)	-	(12,704)
Fair value loss on derivative	(926)	-	-	-	-	-	(926)
Fair value gain on other investment	-	-	4,000	-	-	-	4,000
(Allowance for)/Reversal of impairment of financial instruments	(1,800)	38	-	-	-	-	(1,762)
Share of profit of associates	42	-	3,449	-	-	-	3,491
Income tax expenses	-	(1,077)	(69)	(76)	-	-	(1,222)
Profit/(Loss) after tax	116	2,204	7,712	(1,380)	(9,218)	4,264	3,698



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION (CONTINUED)

YEAR-TO-DATE RESULTS: (CONTINUED)

	Construction contracts	Property	Power	Trading and manufacturing	Others	Adjustments and eliminations	Total
AS AT 30-JUN-22	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets:							
Included in the measure of segment assets are:							
Investment in associates	7,074	-	13,872	-	-	-	20,946
Additions to non-current assets	56	290	20	123	-	-	489
Segment assets	379,731	195,845	422,867	35,613	463,956	(532,529)	965,483
Segment liabilities	333,745	80,493	372,607	23,566	197,105	(337,943)	669,573



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION (CONTINUED)

YEAR-TO-DATE RESULTS: (CONTINUED)

	Construction contracts	Property	Power	Trading and manufacturing	Others	Adjustments and eliminations	Total
6 MONTHS ENDED 30-JUN-2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:							
External customers	87,418	11,840	22,977	14,403	-	-	136,638
Inter-segment	-	1,015	988	12,923	-	(14,926)	-
Total revenue	87,418	12,855	23,965	27,326	-	(14,926)	136,638
Results:							
Included in the measure of segment profit/(loss) are:							
(Loss)/Profit before tax	(4,296)	2,970	5,832	2,838	(12,540)	2,046	(3,150)
Interest income	204	68	1,493	1	104	-	1,870
Interest expenses	(6,551)	(68)	(8,152)	(120)	(8,861)	-	(23,752)
Depreciation and amortisation	(1,387)	(814)	(9,875)	(875)	(54)	-	(13,005)
Fair value gain on derivative	7,550	-	-	-	-	-	7,550
Allowance for impairment of financial instruments	283	-	(1,078)	-	-	-	(795)
ESOS expenses	(61)	-	-	-	-	-	(61)
Share of profit of associates	375	-	11,751	-	-	-	12,126
Impairment loss on investment in an associate	-	-	(9,155)	-	-	-	(9,155)
Income tax expenses	-	(871)	(24)	(905)	-	-	(1,800)
(Loss)/Profit after tax	(4,296)	2,099	5,808	1,933	(12,540)	2,046	(4,950)



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION (CONTINUED)

YEAR-TO-DATE RESULTS: (CONTINUED)

	Construction contracts	Property	Power	Trading and manufacturing	Others	Adjustments and eliminations	Total
AS AT 30-JUN-21	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets:							
Included in the measure of segment assets are:							
Investment in associates	5,610	-	7,056	-	-	-	12,666
Additions to non-current assets	123	404	36	11	-	-	574
Segment assets	521,153	211,821	453,659	40,250	649,336	(645,356)	1,230,863
Segment liabilities	486,083	92,991	412,092	28,785	331,741	(259,331)	1,092,361

^ 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 results of the Group other than PT Harmoni Energy Indonesia (a 46% owned associate incorporated in Indonesia).



MUDAJAYA GROUP BERHAD
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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The carrying amount of 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 last 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 the current quarter.

14. CORPORATE PROPOSAL

As announced on 30 June 2022, Xelmont Limited, an indirect wholly owned subsidiary of the Company had on same day entered into a share sale and purchase agreement with Minyi Holdings Limited for the proposed acquisition of the entire equity interest in Real Jade Limited ("Real Jade") for an indicative purchase consideration of HKD400,000,000 (equivalent to RM224,320,000) to be fully satisfied via cash.

Real Jade is principally involved in the manufacturing and sales of cement and clinker and trading of cement in the People's Republic of China ("PRC") through its subsidiaries. Real Jade and its subsidiaries are also involved in the provision of energy conservation and reuse solutions through the installation of energy efficient and environmentally friendly air-conditioning systems and heating systems for commercial, residential and industrial buildings.

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Acquisition is expected to be completed by the fourth quarter of 2022.

As at 29 August 2022, the proposed acquisition is pending the issuance of circular for shareholders approval at an extraordinary general meeting to be convened.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

15. REVIEW OF PERFORMANCE

QUARTERLY ANALYSIS

	Individual Quarter			
	Current Year Quarter 30-JUN-2022 RM'000	Preceding Year Corresponding Quarter 30-JUN-2021 RM'000	Changes	
			RM'000	%
Revenue	68,787	62,011	6,776	11
Profit from operations	10,247	12,694	(2,447)	(19)
Profit before interest and tax	9,106	9,871	(765)	(8)
Profit/(Loss) before tax	1,814	(2,027)	3,841	189
Profit/(Loss) after tax	1,327	(2,685)	4,012	149
Profit/(Loss) attributable to owners of the Company	659	(3,291)	3,950	120

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

The Group reported revenue of RM68.8 million and profit before tax ("PBT") of RM1.8 million in the current quarter as compared to revenue of RM62.0 million and loss before tax ("LBT") of RM2.0 million in the corresponding quarter of 2021. The Group results have shown a positive turnaround in the current quarter mainly due to the reduction of finance costs consequent to repayment of loans and borrowings as well as a fair value gain recognised on the RKM investment.

The performances of the respective business segments are as follow:

Construction segment: This segment reported revenue and LBT of RM47.6 million and RM3.2 million respectively in the current quarter as compared to revenue of RM39.3 million and LBT of RM2.4 million in the corresponding quarter of 2021. Higher LBT in the current quarter was mainly due to the impairment on receivables recognised in the current quarter.

Property segment: This segment reported revenue and PBT of RM4.8 million and RM1.2 million respectively in the current quarter as compared to RM6.6 million and PBT of RM1.4 million in the corresponding quarter of 2021. The weak property market sentiment which saw an increase in OPR by Bank Negara Malaysia in May 2022 affected the Group's property segment performance.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

15. REVIEW OF PERFORMANCE (CONTINUED)

QUARTERLY ANALYSIS: (CONTINUED)

Power segment: This segment reported revenue and PBT of RM11.0 million and RM7.3 million respectively in the current quarter as compared to revenue of RM11.4 million and PBT of RM3.5 million in the corresponding quarter of 2021. The revenue is driven by the sales of renewable energy in the 49MW Solar Photovoltaic (“PV”) power plant in Sungai Siput, Perak and the 10MW PV power plant in Gebeng, Pahang. Increase in PBT in the current quarter is mainly contributed by the recognition of fair value gain on investment in RKM.

Trading and manufacturing segment: This segment reported revenue of RM5.4 million and LBT of RM1.0 million respectively in the current quarter as compared to revenue of RM4.7 million and PBT of RM0.5 million in the corresponding quarter of 2021. The escalation in raw material prices has impacted the manufacturing segment performance in the current quarter.

Other segment: This segment consists of the investment holding division of the Group. This segment reported a LBT of RM6.1 million in the current quarter as compared to LBT of RM5.2 million in the corresponding quarter of 2021. Higher LBT in the current quarter was mainly due to unrealised foreign exchange loss arising from the borrowings denominated in foreign currency.

YEAR-TO-DATE ANALYSIS

	Cumulative Period			
	Current Year To-date 30-JUN-2022 RM'000	Preceding Year Corresponding Period 30-JUN-2021 RM'000	Changes RM'000 %	
Revenue	136,273	136,638	(365)	0
Profit from operations	24,231	28,749	(4,518)	(16)
Profit before interest and tax	19,562	20,602	(1,040)	(5)
Profit/(Loss) before tax	4,920	(3,150)	8,070	256
Profit/(Loss) after tax	3,698	(4,950)	8,648	175
Profit/(Loss) attributable to owners of the Company	2,035	(6,274)	8,309	132



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

15. REVIEW OF PERFORMANCE (CONTINUED)

YEAR-TO-DATE ANALYSIS (CONTINUED)

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

The Group reported revenue of RM136.3 million and profit before tax (“PBT”) of RM4.9 million for the period ended 30 June 2022 as compared to revenue of RM136.6 million and loss before tax (“LBT”) of RM3.1 million in the corresponding period ended 30 June 2021. Revenue of the Group remains consistent whilst PBT was mainly attributable to lower finance cost following the partial repayment of loans and borrowings and the recognition of a fair value gain on investment in RKM in the current period.

The performances of the respective business segments are as follows:

Construction segment: This segment reported RM89.9 million and PBT of RM0.1 million in the current 6 months period as compared to revenue of RM87.4 million and LBT of RM4.3 million in the previous year’s corresponding period. PBT reported in the current period was mainly due to lower finance cost following the partial repayment of borrowings.

Property segment: This segment reported RM13.0 million and PBT of RM3.3 million in the current 6 months period as compared to revenue of RM11.8 million and PBT of RM3.0 million in the previous year’s corresponding period. The weak property segment is facing further challenges from an increase in OPR by Bank Negara Malaysia in May 2022, despite that, this sector’s performance remained consistent in the current period.

Power segment: This segment reported RM22.8 million and PBT of RM7.8 million in the current period ended 30 June 2022 as compared to revenue of RM22.9 million and PBT of RM5.8 million in the corresponding period ended 30 June 2021. The revenue is driven by the sales of renewable energy in the 49MW Solar Photovoltaic (“PV”) power plant in Sungai Siput, Perak and the 10MW PV power plant in Gebeng, Pahang. Higher PBT in the current period was mainly contributed by the recognition of fair value gain on investment in RKM.

Trading and manufacturing segment: This segment reported revenue of RM10.5 million and LBT of RM1.3 million in the current period as compared to revenue of RM14.4 million and PBT of RM2.8 million in the corresponding period ended 30 June 2021. Lower revenue was mainly due to customers’ delay in taking deliveries of precast products in the current period. Manufacturing segment is dealing with unprecedented material cost increases and supply chain disruption which has impacted the segment’s bottom line performance.

Other segment: This segment consists of the investment holding division of the Group. This segment reported LBT of RM9.2 million in the current period ended 30 June 2022 as compared LBT of RM12.5 million in the corresponding period ended 30 June 2021. Lower LBT in the current period was mainly due to lower finance cost consequent to the repayment of loans and borrowings.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

16. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter	Immediate Preceding Quarter	Changes	
	30-JUN-2022	31-MAR-2022	RM'000	%
Revenue	RM'000 68,787	RM'000 67,486	1,301	2
Profit from operations	10,247	13,984	(3,737)	(27)
Profit before interest and tax	9,106	10,456	(1,350)	(13)
Profit before tax	1,814	3,106	(1,292)	(42)
Profit after tax	1,327	2,371	(1,044)	(44)
Profit attributable to owners of the Company	659	1,376	(717)	(52)

The Group second quarter's PBT was reduced from preceding quarter of RM3.1 million to RM1.8 million mainly due to impairment on receivables recognised in the current quarter.

17. PROSPECTS

The second half of FY2022 will still see COVID-19 risks as a factor affecting the Group's operations. The construction and property industries will continue to face challenges such as geopolitical instability, supply chain disruption and inflation, which increases the cost of business. Nonetheless, with opening up of the country's border and the emergence of the new normal since first quarter of the year, it is hoped that FY2022 will see an improvement to the construction sector, especially the continuation of projects such as the East Coast Railway Link (ECRL), Klang Valley Double Tracking (KVDT) Phase 2, thermal power plant and renewable energy projects as well as infrastructure projects in East Malaysia. We are hopeful in securing several infrastructure and private investment projects to replenish our current order book of RM464.8 million as tenders for the MRT3 Circle Line in the Klang Valley and other infrastructure projects in East Malaysia are currently in progress.

On 30 June 2022, the Group announced its proposed acquisition of Real Jade Limited, which its principal activities are involved in the manufacturing and sales of cement and clinker and trading of cement in the People's Republic of China. Real Jade and its subsidiaries are also involved in the provision of energy conservation and reuse solutions through the installation of energy efficient and environmental friendly air-conditioning systems and heating systems for commercial, residential and industrial buildings. The acquisition will mark the start of our geographical footprint into the China market. The Group expects this will supplement our segment of trading and manufacturing of construction materials, as well as expand our market presence overseas. Subject to all the required approvals for the proposed acquisition being obtained, the Group is confident that the acquisition will allow the Group to expand its revenue stream and contribute positively to the group's earnings and growth moving forward.

In addition, our Group is poised to participate in the next bid exercise for the Large Scale Solar 5 ("LSSF 5") auction programme in Q2/3 2022 while the Group continues seeking out opportunities in the RE space in Indonesia. The current economic environment provides opportunities to replenish the land bank in the Klang Valley for our property division as the property sector is forecast to see some recovery in the coming years.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (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

	CURRENT QUARTER 30-JUN-22 RM'000	6 MONTHS ENDED 30-JUN-22 RM'000
Income tax expense		
- Current year	<u>487</u>	<u>1,222</u>

The current income tax expense is mainly attributed to the property and trading and manufacturing segments. For the current quarter, the Group's effective tax rate is relatively higher than the Malaysian statutory rate of 24% due to certain expenses incurred are non-deductible for tax purposes.

20. GROUP BORROWINGS AND DEBT SECURITIES

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

		AS AT 30 JUNE 2022		
		Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured				
Revolving credits	Floating	-	40,214	40,214
Term loan denominated in USD (USD10 million)	Fixed	-	44,094	44,094
Term loan denominated in RM	Fixed/Floating	2,835	4,906	7,741
Green SRI Sukuk Wakalah	Fixed	200,000	15,000	215,000
		<u>202,835</u>	<u>104,214</u>	<u>307,049</u>
Unsecured				
Revolving credits	Floating	-	4,000	4,000
Bankers' acceptance	Floating	-	3,975	3,975
Term loan denominated in RM	Fixed	-	46,000	46,000
Term loan denominated in USD (USD20 million)	Fixed	88,187	-	88,187
Advance from shareholder	Fixed	-	15,500	15,500
		<u>88,187</u>	<u>69,475</u>	<u>157,662</u>
Total Group's borrowings		<u>291,022</u>	<u>173,689</u>	<u>464,711</u>



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

20. GROUP BORROWINGS AND DEBT SECURITIES (CONTINUED)

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

		AS AT 30 JUNE 2021		
		Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured				
Revolving credits	Floating	-	124,954	124,954
Invoice financing	Floating	-	70	70
Term loan denominated in USD (USD50 million)	Fixed	-	207,731	207,731
Term loan denominated in RM	Fixed/Floating	10,593	6,182	16,775
Green SRI Sukuk Wakalah	Fixed	215,000	15,000	230,000
		<u>225,593</u>	<u>353,937</u>	<u>579,530</u>
Unsecured				
Revolving credits	Floating	-	4,000	4,000
Bankers' acceptance	Floating	-	5,997	5,997
Term loan denominated in USD (USD20 million)	Fixed	83,092	-	83,092
Euro Medium Term Notes ("EMTN") denominated in USD (USD40 million)	Fixed	-	166,185	166,185
		<u>83,092</u>	<u>176,182</u>	<u>259,274</u>
Total Group's borrowings		<u>308,685</u>	<u>530,119</u>	<u>838,804</u>

- ii. Total borrowings reduced from RM480.7 million as at 31 December 2021 to RM464.7 million as at 30 June 2022 mainly due to the repayment of borrowings during the period after offsetting the impact arisen from unrealised foreign exchange loss arising from borrowings denominated in foreign currency.
- iii. Total repayment of borrowings during the period under review amounted to RM23.9 million with an estimated net interest savings of RM1.2 million per annum.
- iv. The weighted average interest rate of the Group's borrowings is 5.86% p.a for the period ended 30 June 2022.



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

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-JUN-22 RM'000
Neither past due nor impaired	70,760
1 to 30 days past due but not impaired	11,529
31 to 60 days past due but not impaired	1,831
61 to 90 days past due but not impaired	92
More than 90 days past due but not impaired	1,936
	<u>86,138</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 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

22. MATERIAL LITIGATION

As announced on 21 July 2022, Mudajaya Corporation Berhad (“MCB”), a wholly-owned subsidiary of the Company was served with a winding up petition dated 14 July 2022 (Shah Alam High Court BA-28NCC-395-07/2022) (“Winding Up Petition”) on 20 July 2022.

The Winding Up Petition was filed by KWSL Builders Sdn Bhd (“KWSL”) pursuant to an adjudication decision obtained via Construction Industry Payment and Adjudication Act 2012 on 19 January 2022 and thereafter pursuant to the enforcement order dated 21 June 2022 from the High Court of Shah Alam for total sum of RM655,981.91.

MCB has paid the judgement sum of RM655,981.91 on 21.7.2022 and will proceed with the appeal in the Court of Appeal and the hearing in the Ipoh High Court Suit against KWSL to recover the said amount.

On 25 July 2022, the petitioner, KWSL had withdrawn the winding up petition served on MCB and filed the Notice of Discontinuance to the High Court of Shah Alam on 22 July 2022, with no order as to cost.

23. DIVIDEND

There was no dividend declared during the period ended 30 June 2022.

24. BASIC EARNINGS PER SHARE

The 'Basic and Diluted earnings per share' for the current quarter/period are calculated by dividing the profit for the quarter/period attributable to owners of the Company by the 'Weighted Average' number of ordinary shares in issue during the quarter/period respectively.

	CURRENT QUARTER 30-JUN-22	6 MONTHS ENDED 30-JUN-22
<u>Basic and Diluted earnings per share:-</u>		
Profit for the period attributable to owners of the Company (RM'000)	659	2,035
Weighted average number of ordinary shares ('000)	1,297,724	1,297,724
Basic and diluted earnings per share (sen)	0.05	0.16