



Mudajaya Group Berhad

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

**Interim Financial Report
30 September 2022**



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-SEP-22 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-SEP-21 RM'000	CURRENT YEAR TO DATE 30-SEP-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-SEP-21 RM'000
Revenue	69,477	55,576	205,750	192,214
Operating expenses	(56,345)	(45,896)	(168,387)	(153,785)
Profit from operations	13,132	9,680	37,363	38,429
Interest income	714	611	1,762	2,481
Other income	714	1,464	2,433	2,844
Foreign exchange loss	(1,032)	(1,685)	(653)	(9,742)
Fair value gain on derivative	1,047	2,081	121	9,631
Depreciation and amortization	(6,130)	(6,500)	(18,834)	(19,505)
Gain on disposal of property, plant and equipment	185	-	271	-
Property, plant and equipment written off	(1,782)	-	(1,782)	-
Fair value gain on other investment	-	-	4,000	-
ESOS expenses	-	(31)	-	(92)
Net loss on impairment of financial instruments	(313)	(259)	(2,075)	(1,054)
Finance costs	(7,512)	(12,011)	(22,154)	(35,763)
Share of results of associates, net of tax	3,014	3,536	6,505	6,507
Profit/(Loss) before tax	2,037	(3,114)	6,957	(6,264)
Tax benefit/(expense)	547	(637)	(675)	(2,437)
Profit/(Loss) after tax	2,584	(3,751)	6,282	(8,701)



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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-SEP-22 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-SEP-21 RM'000	CURRENT YEAR TO DATE 30-SEP-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-SEP-21 RM'000
Other comprehensive income/ (expenses):				
Foreign currency translation differences	(1,930)	(257)	(3,920)	(940)
Total comprehensive income/ (expense)	654	(4,008)	2,362	(9,641)
Profit/(Loss) attributable to:				
Owners of the Company	2,069	(4,412)	4,104	(10,686)
Non-controlling interest	515	661	2,178	1,985
	2,584	(3,751)	6,282	(8,701)
Total comprehensive income/ (expense) attributable to:				
Owners of the Company	170	(4,664)	249	(11,604)
Non-controlling interest	484	656	2,113	1,963
	654	(4,008)	2,362	(9,641)
Earnings/(Loss) per share attributable to equity holders of the Company:				
Basic and diluted earnings/(loss) per share (sen)	0.16	(0.68)	0.32	(1.65)

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 648,862,000 respectively.



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	UNAUDITED AS AT 30-SEP-22 RM'000	AUDITED AS AT 31-DEC-21 RM'000
Assets		
Property, plant and equipment	19,464	23,443
Right of use assets	38,073	39,391
Investment properties	50,150	50,843
Intangible asset	7,594	8,053
Service concession assets	272,574	285,084
Investment in associates	24,200	17,455
Other investments	25,936	21,936
Deferred tax asset	2,631	2,066
Total non-current assets	440,622	448,271
Inventories	102,405	112,697
Other current assets	152,361	152,361
Contract assets	42,921	19,282
Trade and other receivables	113,715	120,759
Tax recoverable	2,630	3,405
Derivative financial assets	1,318	1,197
Cash and bank balances	123,212	146,726
Total current assets	538,562	556,427
Total assets	979,184	1,004,698
Equity		
Share capital	502,054	502,054
Warrant reserves	38,426	38,426
Foreign currency translation reserve	(1,760)	2,095
Accumulated losses	(276,176)	(280,280)
Equity attributable to owners of the Company	262,544	262,295
Non-controlling interests	34,020	31,907
Total equity	296,564	294,202
Liabilities		
Loans and borrowings	202,794	305,937
Lease liabilities	41,903	42,573
Refundable deposits	2,534	2,365
Deferred tax liabilities	11,690	11,648
Total non-current liabilities	258,921	362,523
Loans and borrowings	269,231	174,806
Lease liabilities	1,465	1,225
Trade and other payables	137,224	148,420
Contract liabilities	15,399	20,486
Tax liabilities	380	3,036
Total current liabilities	423,699	347,973
Total liabilities	682,620	710,496
Total equity and liabilities	979,184	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 THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	(3,855)	-	(3,855)	(65)	(3,920)
Profit for the period	-	-	-	-	4,104	4,104	2,178	6,282
Total comprehensive (expense)/income	-	-	-	(3,855)	4,104	249	2,113	2,362
At 30 September 2022	502,054	38,426	-	(1,760)	(276,176)	262,544	34,020	296,564



MUDAJAYA GROUP BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	(918)	-	(918)	(22)	(940)
(Loss)/Profit for the period	-	-	-	-	(10,686)	(10,686)	1,985	(8,701)
Total comprehensive (expense)/income	-	-	-	(918)	(10,686)	(11,604)	1,963	(9,641)
Contribution by and distributions to owners of the Company								
Acquisition of a subsidiary	-	-	-	-	-	-	(4)	(4)
Dividends to non-controlling interest	-	-	-	-	-	-	(5,700)	(5,700)
Share-based payment transaction	-	-	92	-	-	92	-	92
Cancellation of treasury shares	-	-	(10,370)	-	10,370	-	-	-
Total transactions with owners of the Company	-	-	(10,278)	-	10,370	92	(5,704)	(5,612)
At 30 September 2021	397,730	-	-	1,948	(297,386)	102,292	32,229	134,521



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

	9-MONTHS ENDED	
	30-SEP-22	30-SEP-21
	RM'000	RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	6,957	(6,264)
<i>Adjustments for:</i>		
Amortisation of intangible asset	465	465
Amortisation of service concession assets	12,524	12,541
Depreciation of investment properties	795	795
Depreciation of property, plant and equipment	3,130	3,581
Depreciation of right-of-use assets	1,918	2,123
ESOS expenses	-	92
Fair value gain on derivative	(121)	(9,631)
Fair value gain on other investment	(4,000)	-
Gain on disposal of property, plant and equipment	(271)	-
Property, plant and equipment written off	1,782	-
Impairment loss on goodwill arising from acquisition of a subsidiary	-	17
Impairment loss of trade and other receivables	2,075	1,054
Interest income	(1,762)	(2,481)
Interest expense	22,154	35,763
Share of profit of equity accounted associates	(6,505)	(6,507)
Net unrealised loss on foreign exchange	5,060	9,704
Operating profit before changes in working capital	44,201	41,252
Change in inventories	10,292	11,850
Change in contract assets	(23,639)	32,500
Change in trade and other receivables	7,189	26,686
Change in trade and other payables	(11,696)	(27,877)
Change in refundable deposits	169	(56)
Change in contract liabilities	(5,087)	24,785
Cash generated from operations	21,429	109,140
Tax paid	(3,721)	(3,193)
Tax refunded	1,142	-
Net cash generated from operating activities	18,850	105,947



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

	9-MONTHS ENDED	
	30-SEP-22	30-SEP-21
	RM'000	RM'000
Cash flows from investing activities		
Additional expenditure in an investment property	-	(66)
Addition in service concession assets	(14)	(10)
Acquisition of a subsidiary, net of cash and cash equivalent required	-	(9)
GST refunded on service concession assets	-	807
Repayment from associates	3,575	3,031
Increase in investment in an associate	(240)	-
Interest received	1,762	2,481
Purchase of property, plant and equipment	(1,042)	(524)
Proceeds from disposal of property, plant and equipment	278	-
Dividend paid to non-controlling interest	-	(5,700)
Change in pledged deposits	10,866	22,071
Net cash generated from investing activities	15,185	22,081
Cash flows from financing activities		
Interest paid	(22,154)	(35,763)
Repayment of loans and borrowings	(23,499)	(22,124)
Repayment for lease liabilities	(1,030)	(1,424)
Net cash used in financing activities	(46,683)	(59,311)
Net (decrease)/increase in cash and cash equivalents	(12,648)	68,717
Cash and cash equivalents as at the beginning of the year	57,101	59,935
Cash and cash equivalents as at the end of the period	44,453	128,652
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise:		
Cash and bank balances	31,346	84,013
Deposits placed with financial institutions	91,866	273,833
	123,212	357,846
Less:		
Pledged deposits	(78,759)	(229,194)
	44,453	128,652

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 THIRD QUARTER ENDED 30 SEPTEMBER 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.

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.



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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022 (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 amounts reported in the previous financial year that have a material effect in the current quarter.

6. CHANGES IN DEBTS AND EQUITY SECURITIES

On 31 October 2022, the Company increased its issued and paid up ordinary shares to 1,875,747,399 by way of issuance of 578,023,067 ordinary shares pursuant to the exercise of warrants.

Save for the above, 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:

	9 MONTHS ENDED 30-SEP-22 RM'000	9 MONTHS ENDED 30-SEP-21 RM'000
Associates		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	660	1,338
Secondment fee	186	187
	<hr/>	<hr/>
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	316	211
Secondment fee	98	97
Corporate guarantee fee	224	224
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MUDAJAYA GROUP BERHAD
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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION

QUARTERLY RESULTS:

	Construction contracts	Property	Power	Trading and manufacturing	Others	Adjustments and eliminations	Total
Q3 2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:							
External customers	51,388	4,101	10,923	3,065	-	-	69,477
Inter-segment	-	503	514	11,187	-	(12,204)	-
Total revenue	51,388	4,604	11,437	14,252	-	(12,204)	69,477
Results:							
Included in the measure of segment profit/(loss) are:							
(Loss)/Profit before tax	(568)	96	4,268	2,232	(8,125)	4,134	2,037
Interest income	94	34	377	1	208	-	714
Interest expense	(1,764)	(37)	(3,747)	(74)	(1,890)	-	(7,512)
Depreciation and amortisation	(325)	(434)	(4,989)	(355)	(27)	-	(6,130)
Fair value gain on derivative	1,047	-	-	-	-	-	1,047
Impairment loss of financial instruments	-	(313)	-	-	-	-	(313)
Share of profit of associates	351	-	2,663	-	-	-	3,014
Tax (expense)/benefit	(46)	104	3	486	-	-	547
(Loss)/Profit after tax	(614)	200	4,271	2,718	(8,125)	4,134	2,584



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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
Q3 2021							
Revenue:							
External customers	33,043	8,166	10,874	3,493	-	-	55,576
Inter-segment	-	503	497	4,249	-	(5,249)	-
Total revenue	33,043	8,669	11,371	7,742	-	(5,249)	55,576
Results:							
Included in the measure of segment profit/(loss) are:							
(Loss)/Profit before tax	(2,918)	1,846	3,735	(213)	(6,140)	576	(3,114)
Interest income	100	3	489	-	19	-	611
Interest expense	(3,299)	(35)	(4,064)	(63)	(4,550)	-	(12,011)
Depreciation and amortisation	(651)	(406)	(4,983)	(433)	(27)	-	(6,500)
Fair value gain on derivative	2,081	-	-	-	-	-	2,081
Impairment loss of financial instruments	-	-	(259)	-	-	-	(259)
ESOS expenses	(31)	-	-	-	-	-	(31)
Share of profit of associates	618	-	2,918	-	-	-	3,536
Tax expense	-	(551)	(57)	(29)	-	-	(637)
(Loss)/Profit after tax	(2,918)	1,295	3,678	(242)	(6,140)	576	(3,751)



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 MONTHS ENDED 30-SEP-2022							
Revenue:							
External customers	141,289	17,112	33,765	13,584	-	-	205,750
Inter-segment	-	1,510	1,534	22,256	-	(25,300)	-
Total revenue	141,289	18,622	35,299	35,840	-	(25,300)	205,750
Results:							
Included in the measure of segment profit/(loss) are:							
(Loss)/Profit before tax	(4,452)	3,377	16,049	928	(17,343)	8,398	6,957
Interest income	314	66	1,066	1	315	-	1,762
Interest expense	(5,144)	(103)	(11,274)	(192)	(5,441)	-	(22,154)
Depreciation and amortisation	(1,349)	(1,261)	(14,850)	(1,293)	(81)	-	(18,834)
Fair value loss on derivative	121	-	-	-	-	-	121
Fair value gain on other investment	-	-	4,000	-	-	-	4,000
Impairment of financial instruments	(1,800)	(275)	-	-	-	-	(2,075)
Share of profit of associates	393	-	6,112	-	-	-	6,505
Tax expense	(46)	(973)	(66)	410	-	-	(675)
(Loss)/Profit after tax	(4,498)	2,404	15,983	1,338	(17,343)	8,398	6,282



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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-SEP-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	7,664	-	16,536	-	-	-	24,200
Additions to non-current assets	210	446	127	269	4	-	1,056
Segment assets	396,545	195,685	416,844	39,450	466,498	(535,838)	979,184
Segment liabilities	353,413	80,238	359,543	24,691	208,227	(343,492)	682,620



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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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
9 MONTHS ENDED 30-SEP-2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:							
External customers	120,461	20,006	33,851	17,896	-	-	192,214
Inter-segment	-	1,518	1,485	17,172	-	(20,175)	-
Total revenue	120,461	21,524	35,336	35,068	-	(20,175)	192,214
Results:							
Included in the measure of segment profit/(loss) are:							
(Loss)/Profit before tax	(7,214)	4,816	9,567	2,625	(18,680)	2,622	(6,264)
Interest income	304	71	1,982	1	123	-	2,481
Interest expense	(9,850)	(103)	(12,216)	(183)	(13,411)	-	(35,763)
Depreciation and amortisation	(2,038)	(1,220)	(14,858)	(1,308)	(81)	-	(19,505)
Fair value gain on derivative	9,631	-	-	-	-	-	9,631
Allowance for impairment of financial instruments	-	-	(1,054)	-	-	-	(1,054)
ESOS expenses	(92)	-	-	-	-	-	(92)
Share of profit of associates	993	-	5,514	-	-	-	6,507
Tax expense	-	(1,422)	(81)	(934)	-	-	(2,437)
(Loss)/Profit after tax	(7,214)	3,394	9,486	1,691	(18,680)	2,622	(8,701)



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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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-SEP-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	6,228	-	9,974	-	-	-	16,202
Additions to non-current assets	123	430	36	11	-	-	600
Segment assets	502,979	205,740	445,529	31,173	652,018	(634,044)	1,203,395
Segment liabilities	474,619	86,239	400,761	19,949	337,739	(250,433)	1,068,874

^ 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 THIRD QUARTER ENDED 30 SEPTEMBER 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

Save as disclosed in Note 14, there were no material events subsequent to the current quarter.

12. CHANGES IN COMPOSITION OF THE GROUP

Save as disclosed in Note 14, there were no material changes in the composition of the Group during the current quarter.

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.

On 20 October 2022, the proposed acquisition was duly approved by the shareholders at the Company's Extraordinary General Meeting.

On 9 November 2022, the conditional share sale purchase agreement has been completed and Real Jade has become an indirect wholly-owned subsidiary of the Company on even date, which marks the completion of the acquisition.



**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022
(CONTINUED)**

NOTES TO QUARTERLY REPORT (CONTINUED)

15. REVIEW OF PERFORMANCE

QUARTERLY ANALYSIS

	Individual Quarter			
	Current Year Quarter 30-SEP-2022 RM'000	Preceding Year Corresponding Quarter 30-SEP-2021 RM'000	Changes	
			RM'000	%
Revenue	69,477	55,576	13,901	25
Profit from operations	13,132	9,680	3,452	36
Profit before interest and tax	9,549	8,897	652	7
Profit/(Loss) before tax	2,037	(3,114)	5,151	>100
Profit/(Loss) after tax	2,584	(3,751)	6,335	>100
Profit/(Loss) attributable to owners of the Company	2,069	(4,412)	6,481	>100

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

The Group reported revenue of RM69.5 million and profit before tax ("PBT") of RM2.0 million in the current quarter as compared to revenue of RM55.6 million and loss before tax ("LBT") of RM3.1 million in the corresponding quarter of 2021. The Group results have shown a positive turnaround in the current quarter mainly due to higher progress workdone achieved from on-going construction projects and reduction of finance costs consequent to repayment of loans and borrowings.

The performances of the respective business segments are as follow:

Construction segment: This segment reported revenue and LBT of RM51.4 million and RM0.6 million respectively in the current quarter as compared to revenue of RM33.0 million and LBT of RM2.9 million in the corresponding quarter of 2021. The financial performance was improved mainly due to higher progress workdone achieved from on-going projects in the current quarter.

Property segment: This segment reported revenue and PBT of RM4.1 million and RM0.1 million respectively in the current quarter as compared to RM8.2 million and PBT of RM1.8 million in the corresponding quarter of 2021. The market in current quarter took a dive compared to the corresponding quarter of 2021 as the weak market and inflation coupled with multiple escalation in OPR by Bank Negara Malaysia has substantially reduced the affordability of the properties. Most of the home seekers gravitate towards renting for the short term instead of buying. The market is also plagued with new supply of completed properties and significant price reduction from developers and sub-sale market.



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**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022
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NOTES TO QUARTERLY REPORT (CONTINUED)

15. REVIEW OF PERFORMANCE (CONTINUED)

QUARTERLY ANALYSIS: (CONTINUED)

Power segment: This segment reported revenue and PBT of RM10.9 million and RM4.3 million respectively in the current quarter as compared to revenue of RM10.9 million and PBT of RM3.7 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 due to higher share of profit contributed by an associate in Indonesia which is operating a 2x7 MW coal-fired power plant.

Trading and manufacturing segment: This segment reported revenue of RM3.1 million and PBT of RM2.2 million respectively in the current quarter as compared to revenue of RM3.5 million and LBT of RM0.2 million in the corresponding quarter of 2021. Improvement in the segmental profit was mainly contributed from manufacturing segment.

Other segment: This segment consists of the investment holding division of the Group. This segment reported a LBT of RM8.1 million in the current quarter as compared to LBT of RM6.1 million in the corresponding quarter of 2021. Higher LBT in the current quarter was mainly due to higher unrealised foreign exchange loss arising from the borrowings denominated in foreign currency.

YEAR-TO-DATE ANALYSIS

	Cumulative Period			
	Current Year To-date 30-SEP-2022 RM'000	Preceding Year Corresponding Period 30-SEP-2021 RM'000	Changes	
			RM'000	%
Revenue	205,750	192,214	13,536	7
Profit from operations	37,363	38,429	(1,066)	(3)
Profit before interest and tax	29,111	29,499	(388)	(1)
Profit/(Loss) before tax	6,957	(6,264)	13,221	>100
Profit/(Loss) after tax	6,282	(8,701)	14,983	>100
Profit/(Loss) attributable to owners of the Company	4,104	(10,686)	14,790	>100



**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 RM205.8 million and profit before tax (“PBT”) of RM7.0 million for the period ended 30 September 2022 as compared to revenue of RM192.2 million and loss before tax (“LBT”) of RM6.3 million in the corresponding period ended 30 September 2021. Higher revenue was mainly contributed by higher progress workdone achieved from on-going construction projects as mentioned earlier. 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 RM141.3 million and LBT of RM4.5 million in the current 9 months period as compared to revenue of RM120.5 million and LBT of RM7.2 million in the previous year’s corresponding period. Improvement in revenue and LBT in the current period was mainly due to higher progress workdone achieved from on-going projects as mentioned earlier and lower finance cost following the partial repayment of borrowings.

Property segment: This segment reported RM17.1 million and PBT of RM3.4 million in the current 9 months period as compared to revenue of RM20.0 million and PBT of RM4.8 million in the previous year’s corresponding period. As mentioned earlier, the property market experienced strong competition from new supply of completed projects and sub-sale. The market is still plagued by inflation and multiple increase of OPR.

Power segment: This segment reported RM33.8 million and PBT of RM16.1 million in the current period ended 30 September 2022 as compared to revenue of RM33.9 million and PBT of RM9.6 million in the corresponding period ended 30 September 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 RM13.6 million and PBT of RM0.9 million in the current period as compared to revenue of RM17.9 million and PBT of RM2.6 million in the corresponding period ended 30 September 2021. Lower revenue was mainly due to lower deliveries of precast products in the current period. Whilst lower PBT was mainly due to property, plant and equipment written off recognised in the current period.

Other segment: This segment consists of the investment holding division of the Group. This segment reported LBT of RM17.3 million in the current period ended 30 September 2022 as compared LBT of RM18.7 million in the corresponding period ended 30 September 2022. Lower LBT in the current period was mainly due to lower finance cost consequent to the repayment of loans and borrowings, however, the reduction in finance cost was partially offset the higher unrealised foreign exchange loss arising from the borrowings denominated in foreign currency.



**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022
(CONTINUED)**

NOTES TO QUARTERLY REPORT (CONTINUED)

16. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter	Immediate Preceding Quarter	Changes	
	30-SEP-2022	30-JUN-2022	RM'000	%
Revenue	69,477	68,787	690	1
Profit from operations	13,132	10,247	2,885	28
Profit before interest and tax	9,549	9,106	443	5
Profit before tax	2,037	1,814	223	12
Profit after tax	2,584	1,327	1,257	95
Profit attributable to owners of the Company	2,069	659	1,410	>100

The Group third quarter's profit from operations was improved from preceding quarter of RM10.2 million to RM13.1 million mainly due to higher profit contributions from the on-going construction projects and precast manufacturing.

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 uncertainties, 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 half of the year, it is hoped that FY2023 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 RM452.6 million as tenders for the MRT3 Circle Line in the Klang Valley and other infrastructure projects in East Malaysia are currently in progress.

As disclosed in Note 14, the completion of the Group's acquisition of Real Jade Limited marked the begin 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, 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 and the Corporate Green Power Program locally 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.



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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. TAX (BENEFIT)/EXPENSE

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER ENDED	
	30-SEP-22 RM'000	30-SEP-21 RM'000	30-SEP-22 RM'000	30-SEP-22 RM'000
Current tax expense	209	595	1,431	2,392
(Over)/Underprovision of tax in prior years	(233)	33	(233)	36
Deferred tax (benefit)/expense	(523)	9	(523)	9
	<u>(547)</u>	<u>637</u>	<u>675</u>	<u>2,437</u>

For the current quarter and the period under review, the Group's effective tax rate is lower than the statutory rate of 24% mainly due to certain income not being subject to tax and utilisation of carried forward tax losses to offset against the chargeable income.

20. GROUP BORROWINGS AND DEBT SECURITIES

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

AS AT 30 SEPTEMBER 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	-	46,391	46,391
Term loan denominated in RM Green SRI Sukuk Wakalah	Floating	2,794	3,590	6,384
	Fixed	200,000	15,000	215,000
		<u>202,794</u>	<u>105,195</u>	<u>307,989</u>
Unsecured				
Revolving credits	Floating	-	4,000	4,000
Bankers' acceptance	Floating	-	5,754	5,754
Term loan denominated in RM	Fixed	-	46,000	46,000
Term loan denominated in USD (USD20 million)	Fixed	-	92,782	92,782
Advance from shareholder	Fixed	-	15,500	15,500
		-	<u>164,036</u>	<u>164,036</u>
Total Group's borrowings		<u>202,794</u>	<u>269,231</u>	<u>472,025</u>



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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 SEPTEMBER 2021		
		Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured				
Revolving credits	Floating	-	124,143	124,143
Term loan denominated in USD (USD50 million)	Fixed	-	209,471	209,471
Term loan denominated in RM Green SRI Sukuk Wakalah	Floating	9,035	6,182	15,217
	Fixed	215,000	15,000	230,000
		<u>224,035</u>	<u>354,796</u>	<u>578,831</u>
Unsecured				
Revolving credits	Floating	-	4,000	4,000
Bankers' acceptance	Floating	-	5,944	5,944
Term loan denominated in USD (USD20 million)	Fixed	83,788	-	83,788
Euro Medium Term Notes ("EMTN") denominated in USD (USD40 million)	Fixed	-	167,577	167,577
		<u>83,788</u>	<u>177,521</u>	<u>261,309</u>
Total Group's borrowings		<u><u>307,823</u></u>	<u><u>532,317</u></u>	<u><u>840,140</u></u>

- ii. Total borrowings reduced from RM480.7 million as at 31 December 2021 to RM472.0 million as at 30 September 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 RM23.5 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 5.93% p.a for the period ended 30 September 2022.



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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-SEP-22 RM'000
Neither past due nor impaired	65,606
1 to 30 days past due but not impaired	10,749
31 to 60 days past due but not impaired	2,127
61 to 90 days past due but not impaired	1,443
More than 90 days past due but not impaired	1,640
	<u>81,565</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.



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NOTES TO QUARTERLY REPORT (CONTINUED)

22. DIVIDEND

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

23. 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-SEP-22	9 MONTHS ENDED 30-SEP-22
<u>Basic and Diluted earnings per share:-</u>		
Profit for the period attributable to owners of the Company (RM'000)	<u>2,069</u>	<u>4,104</u>
Weighted average number of ordinary shares ('000)	1,297,724	1,297,724
Basic and diluted earnings per share (sen)	<u>0.16</u>	<u>0.32</u>