



**Mudajaya Group Berhad**

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

**Interim Financial Report  
31 March 2023**



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-MAR-23 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-MAR-22 RM'000 (Restated)	CURRENT YEAR TO DATE 31-MAR-23 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-MAR-22 RM'000 (Restated)
Revenue	103,730	58,121	103,730	58,121
Operating expenses	(95,501)	(53,502)	(95,501)	(53,502)
Profit from operations	8,229	4,619	8,229	4,619
Interest income	7,991	6,844	7,991	6,844
Other income	2,138	806	2,138	806
Foreign exchange (loss)/gain	(436)	186	(436)	186
Fair value loss on derivative	-	(966)	-	(966)
Depreciation and amortization	(4,540)	(2,311)	(4,540)	(2,311)
Gain on disposal of property, plant and equipment	-	85	-	85
Reversal of impairment of financial instruments	-	38	-	38
Finance costs	(10,739)	(7,350)	(10,739)	(7,350)
Share of results of associates, net of tax	2,447	2,291	2,447	2,291
Profit before tax	5,090	4,242	5,090	4,242
Income tax expense	(3,471)	(735)	(3,471)	(735)
Profit after tax	1,619	3,507	1,619	3,507



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONTINUED)**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-MAR-23 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-MAR-22 RM'000 (Restated)	CURRENT YEAR TO DATE 31-MAR-23 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-MAR-22 RM'000 (Restated)
<b>Other comprehensive income/ (expenses):</b>				
Foreign currency translation differences	(1,359)	(288)	(1,359)	(288)
Total comprehensive income	260	3,219	260	3,219
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	(888)	2,547	(888)	2,547
Non-controlling interest	2,507	960	2,507	960
	1,619	3,507	1,619	3,507
<b>Total comprehensive income/ (expense) attributable to:</b>				
Owners of the Company	(5,518)	2,266	(5,518)	2,266
Non-controlling interest	5,778	953	5,778	953
	260	3,219	260	3,219
<b>(Loss)/Earnings per share (sen):</b>				
Basic	(0.06)	0.20	(0.06)	0.20
Diluted	(0.06)	0.13	(0.06)	0.13

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 2022.



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023**

	UNAUDITED AS AT 31-MAR-23 RM'000	AUDITED AS AT 31-DEC-22 RM'000
<b>Assets</b>		
Property, plant and equipment	189,675	170,525
Right of use assets	40,910	41,790
Investment properties	49,687	49,918
Intangible assets	11,471	11,604
Service concession assets	275,255	278,354
Investment in associates	25,059	22,612
Other investments	29,252	28,436
Land held for property development	11,121	11,121
Trade and other receivables	17,819	17,554
Deferred tax asset	1,925	1,925
<b>Total non-current assets</b>	<b>652,174</b>	<b>633,839</b>
Service concession assets	12,565	12,565
Inventories	106,800	110,635
Other current assets	156,163	156,145
Contract assets	63,696	65,610
Trade and other receivables	717,558	683,723
Loan receivables	36,083	29,130
Tax recoverable	2,370	2,922
Cash and bank balances	185,189	231,294
<b>Total current assets</b>	<b>1,280,424</b>	<b>1,292,024</b>
<b>Total assets</b>	<b>1,932,598</b>	<b>1,925,863</b>
<b>Equity</b>		
Share capital	663,450	663,450
Warrant Reserves	4,195	4,195
Foreign currency translation reserve	(7,862)	(3,232)
Accumulated losses	(261,157)	(260,269)
<b>Equity attributable to owners of the Company</b>	<b>398,626</b>	<b>404,144</b>
Non-controlling interests	277,162	274,844
<b>Total equity</b>	<b>675,788</b>	<b>678,988</b>
<b>Liabilities</b>		
Loans and borrowings	462,219	473,502
Lease liabilities	41,111	41,868
Refundable deposits	2,591	2,695
Deferred tax liabilities	34,466	35,411
<b>Total non-current liabilities</b>	<b>540,387</b>	<b>553,476</b>
Loans and borrowings	261,196	256,359
Lease liabilities	2,733	2,655
Trade and other payables	394,644	379,854
Contract liabilities	9,367	6,248
Tax liabilities	48,483	48,283
<b>Total current liabilities</b>	<b>716,423</b>	<b>693,399</b>
<b>Total liabilities</b>	<b>1,256,810</b>	<b>1,246,863</b>
<b>Total equity and liabilities</b>	<b>1,932,598</b>	<b>1,925,863</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	<b>0.21</b>	<b>0.22</b>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022.

The Net Assets Per Share for both current and corresponding periods have been calculated based on 1,875,748,000 ordinary shares.



**MUDAJAYA GROUP BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

	← 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	Foreign currency translation reserve RM'000	Accumulated losses RM'000			
<b>At 1 January 2023</b>	<b>663,450</b>	<b>4,195</b>	<b>(3,232)</b>	<b>(260,269)</b>	<b>404,144</b>	<b>274,844</b>	<b>678,988</b>
Foreign currency translation differences for foreign operations	-	-	(4,630)	-	(4,630)	3,271	(1,359)
(Loss)/Profit for the period	-	-	-	(888)	(888)	2,507	1,619
<b>Total comprehensive (expense)/income</b>	-	-	(4,630)	(888)	(5,518)	6,760	260
Dividends to non-controlling interest	-	-	-	-	-	(3,460)	(3,460)
<b>At 31 March 2023</b>	<b>663,450</b>	<b>4,195</b>	<b>(7,862)</b>	<b>(261,157)</b>	<b>398,626</b>	<b>277,162</b>	<b>675,788</b>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2023  
(CONTINUED)**

	← Attributable to owners of the Company →						
	← Non-distributable			→ Distributable			
	Share capital RM'000	Warrant 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
<b>At 31 January 2022 (As previously stated)</b>	502,054	38,426	2,095	(280,280)	262,295	31,907	294,202
Restatement of comparatives	-	-	-	2,418	2,418	6,181	8,599
<b>At 31 January 2022 (As restated)</b>	502,054	38,426	2,095	(277,862)	264,713	38,088	302,801
Foreign currency translation differences for foreign operations	-	-	(281)	-	(281)	(7)	(288)
Profit for the period	-	-	-	2,547	2,547	960	3,507
Total comprehensive (expense)/income	-	-	(281)	2,547	2,266	953	3,219
<b>At 31 March 2022</b>	502,054	38,426	1,814	(275,315)	266,979	39,041	306,020



**MUDAJAYA GROUP BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE  
FIRST QUARTER ENDED 31 MARCH 2023**

	<b>3-MONTHS ENDED</b>	
	<b>31-MAR-23</b>	<b>31-MAR-22</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
<b>Cash flows from operating activities</b>		
Profit before tax	5,090	4,242
<i>Adjustments for:</i>		
Amortisation of intangible asset	195	155
Depreciation of investment properties	265	265
Depreciation of property, plant and equipment	3,159	1,251
Depreciation of right-of-use assets	921	640
Fair value loss on derivative	-	966
Gain on disposal of property, plant and equipment	-	(85)
Reversal of impairment loss of trade and other receivables	-	(38)
Interest income	(7,991)	(6,844)
Interest expense	10,739	7,350
Share of profit of equity accounted associates	(2,447)	(2,291)
Net unrealised loss on foreign exchange	16	1,095
<b>Operating profit before changes in working capital</b>	<b>9,947</b>	<b>6,706</b>
Decrease/(Increase) in:		
Service concession assets	10,046	9,365
Inventories	3,938	3,747
Contract assets	1,914	2,091
Trade and other receivables	(31,208)	5,905
Loan receivables	(6,953)	-
(Decrease)/Increase in:		
Trade and other payables	13,526	(24,807)
Refundable deposits	(104)	(53)
Contract liabilities	3,119	(2,176)
Cash generated from operations	4,225	778
Tax paid	(4,466)	(1,500)
Tax refunded	-	1,126
<b>Net cash (used in)/generated from operating activities</b>	<b>(241)</b>	<b>404</b>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONTINUED)**

	<b>3-MONTHS ENDED</b>	
	<b>31-MAR-23</b>	<b>31-MAR-22</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
<b>Cash flows from investing activities</b>		
Additions in other investments	(816)	-
Purchase of property, plant and equipment	(20,060)	(109)
Repayment from associates	69	5,389
Interest received	1,044	482
Proceeds from disposal of property, plant and equipment	-	87
Change in pledged deposits	17,507	20,431
<b>Net cash (used in)/generated from investing activities</b>	<b>(2,256)</b>	<b>26,280</b>
<b>Cash flows from financing activities</b>		
Interest paid	(10,144)	(6,770)
Dividends paid to non-controlling interests	(3,460)	-
Repayment of loans and borrowings	(15,521)	(20,718)
Repayment for lease liabilities	(1,295)	(908)
<b>Net cash used in financing activities</b>	<b>(30,420)</b>	<b>(28,396)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(32,917)</b>	<b>(1,712)</b>
Effect of foreign exchange translation	4,319	-
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>168,369</b>	<b>57,101</b>
<b>Cash and cash equivalents as at the end of the period</b>	<b>139,771</b>	<b>55,389</b>
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise:		
Cash and bank balances	96,159	34,079
Deposits placed with financial institutions	89,030	90,504
	185,189	124,583
Less:		
Pledged deposits	(45,418)	(69,194)
	139,771	55,389

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 2022.





**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

**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 2022.

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 2022 except for the adoption of the following:

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

- 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 1 January 2024***

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-Current Liabilities with Covenants*

***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.

**Change in Significant Accounting Policies**

As disclosed in the Group’s audited financial statements for the year ended 31 December 2022, the Group reassessed its service concession assets relating to the Group’s Power Purchase Agreements to conform with the requirements of the IC Interpretation 12. As a result, the Group changed its intangible asset model to the financial asset model where the operator is considered to have an unconditional right to receive cash or another financial asset from the grantor. Financial assets resulting from the application of this policy are recorded in the statements of financial position under the heading ‘service concession assets’ and recognised at amortised cost.

The change in this accounting policy has been applied retrospectively for the financial year ended 31 December 2022. Accordingly, the Group has restated certain comparative amounts for the preceding financial quarters for this interim financial report.



**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (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 2022 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**

During the quarter, there were no issuance and repayment of debts and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the quarter under review.

**7. DIVIDEND PAID**

There were no dividends paid during the period under review.

**8. SIGNIFICANT RELATED PARTY TRANSACTIONS**

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

	<b>3 MONTHS ENDED 31-MAR-23 RM'000</b>	<b>3 MONTHS ENDED 31-MAR-22 RM'000</b>
<b>Associates</b>		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	172	227
Secondment fee	62	61
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	-	105
Secondment fee	33	32
Corporate guarantee fee	74	74



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**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**9. SEGMENTAL INFORMATION**

**QUARTERLY AND YEAR-TO-DATE RESULTS:**

	Construction contracts	Trading and manufacturing	Property	Power	Others	Adjustments and eliminations	Total
<b>3 MONTHS ENDED</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>31-MAR-2023</b>							
<b>Revenue:</b>							
External customers	44,304	53,223	4,423	1,780	-	-	103,730
Inter-segment	-	4,826	513	537	-	(5,876)	-
<b>Total revenue</b>	<b>44,304</b>	<b>58,049</b>	<b>4,936</b>	<b>2,317</b>	<b>-</b>	<b>(5,876)</b>	<b>103,730</b>
<b>Results:</b>							
Profit before tax	495	1,259	506	5,328	(2,504)	6	5,090
Interest income	170	433	45	7,343	-	-	7,991
Interest expenses	(864)	(3,439)	(850)	(3,840)	(1,746)	-	(10,739)
Depreciation and amortisation	(159)	(3,136)	(438)	(780)	(27)	-	(4,540)
Share of profit of associates	196	-	-	2,251	-	-	2,447
Income tax expenses	(32)	(2,699)	(248)	(492)	-	-	(3,471)
Profit/(Loss) after tax	463	(1,440)	258	4,836	(2,504)	6	1,619



**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**9. SEGMENTAL INFORMATION (CONTINUED)**

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

	Construction contracts	Trading and manufacturing	Property	Power	Others	Adjustments and eliminations	Total
AS AT 31-MAR-23	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets:</b>							
<b>Included in the measure of segment assets are:</b>							
Investment in associates	8,124	-	-	16,935	-	-	25,059
Additions to non-current assets	111	19,868	81	-	-	-	20,060
<b>Segment assets</b>	<b>436,432</b>	<b>991,698</b>	<b>248,859</b>	<b>422,098</b>	<b>536,700</b>	<b>(703,189)</b>	<b>1,932,598</b>
<b>Segment liabilities</b>	<b>388,163</b>	<b>742,036</b>	<b>124,020</b>	<b>360,880</b>	<b>139,902</b>	<b>(498,191)</b>	<b>1,256,810</b>



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**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**9. SEGMENTAL INFORMATION (CONTINUED)**

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

	Construction contracts	Trading and manufacturing	Property	Power	Others	Adjustments and eliminations	Total
3 MONTHS ENDED	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>31-MAR-2022 (Restated)</b>							
<b>Revenue:</b>							
External customers	42,283	5,169	8,217	2,452	-	-	58,121
Inter-segment	-	6,233	503	510	-	(7,246)	-
<b>Total revenue</b>	<b>42,283</b>	<b>11,402</b>	<b>8,720</b>	<b>2,962</b>	<b>-</b>	<b>(7,246)</b>	<b>58,121</b>
<b>Results:</b>							
(Loss)/Profit before tax	(679)	(259)	2,038	5,634	(3,101)	609	4,242
Interest income	116	-	11	6,704	13	-	6,844
Interest expenses	(1,692)	(58)	(33)	(3,836)	(1,731)	-	(7,350)
Depreciation and amortisation	(612)	(489)	(409)	(774)	(27)	-	(2,311)
Fair value gain on derivative	(966)	-	-	-	-	-	(966)
Allowance for impairment of financial instruments	-	-	38	-	-	-	38
Share of profit of associates	172	-	-	2,119	-	-	2,291
Income tax expenses	-	(56)	(642)	(37)	-	-	(735)
(Loss)/Profit after tax	(679)	(315)	1,396	5,597	(3,101)	609	3,507



**MUDAJAYA GROUP BERHAD**  
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**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**9. SEGMENTAL INFORMATION (CONTINUED)**

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

	Construction contracts	Trading and manufacturing	Property	Power	Others	Adjustments and eliminations	Total
AS AT 31-MAR-22 (Restated)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets:</b>							
<b>Included in the measure of segment assets are:</b>							
Investment in associates	7,203	-	-	12,543	-	-	19,746
Additions to non-current assets	50	18	41	-	-	-	109
<b>Segment assets</b>	<b>277,881</b>	<b>38,130</b>	<b>198,317</b>	<b>432,430</b>	<b>636,977</b>	<b>(614,169)</b>	<b>969,566</b>
<b>Segment liabilities</b>	<b>230,999</b>	<b>24,884</b>	<b>82,091</b>	<b>375,320</b>	<b>181,530</b>	<b>(231,278)</b>	<b>663,546</b>

^ Additions to non-current assets consist of property, plant and equipment and investment properties.



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**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**9. SEGMENTAL INFORMATION (CONTINUED)**

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

**By geographical segment**

	Malaysia	China	Adjustments and eliminations	Total
	RM'000	RM'000	RM'000	RM'000
<b>3 MONTHS ENDED 31-MAR-2023</b>				
External customers	55,748	47,982	-	103,730
Inter-segment	5,876	-	(5,876)	-
Total revenue	61,624	47,982	(5,876)	103,730
Profit before tax	3,276	1,808	6	5,090
<b>As at 31-MAR-2023</b>				
Segment assets	1,671,925	961,405	(700,732)	1,932,598
Segment liabilities	1,028,926	726,075	(498,190)	1,256,810
<b>3 MONTHS ENDED 31-MAR-2022 (Restated)</b>				
External customers	58,121	-	-	58,121
Inter-segment	7,246	-	(7,246)	-
Total revenue	65,367	-	(7,246)	58,121
Profit before tax	2,497	-	609	3,106
<b>As at 31-MAR-2022 (Restated)</b>				
Segment assets	1,583,735	-	(614,169)	969,566
Segment liabilities	894,824	-	(213,278)	663,546



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**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (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**

There were no corporate proposal announced in the current quarter.





**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**15. REVIEW OF PERFORMANCE**

	Individual Quarter			
	Current Year Quarter 31-MAR-2023 RM'000	Preceding Year Corresponding Quarter 31-MAR-2022 RM'000 (Restated)	Changes	
			RM'000	%
Revenue	103,730	58,121	45,609	78
Profit from operations	8,229	4,619	3,610	78
Profit before interest and tax	15,829	11,592	4,237	37
Profit before tax	5,090	4,242	848	20
Profit after tax	1,619	3,507	(1,888)	(54)
(Loss)/Profit attributable to owners of the Company	(888)	2,547	(3,435)	>(100)

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

The Group recorded revenue of RM103.7 million and profit before tax ("PBT") of RM5.1 million in the current quarter as compared to revenue of RM58.1 million and PBT of RM4.2 million in the corresponding quarter of 2022. The current quarter's performance reflect the consolidation of new revenue streams attributable to the acquisition of Real Jade group in November 2022, relating to the manufacturing, trading and sale of cement as well as activities in energy conservation and reuse solutions in China.

The performances of the respective business segments are as follow:

**Construction segment:** This segment reported revenue and PBT of RM44.3 million and RM0.5 million respectively in the current quarter as compared to revenue of RM42.3 million and loss before tax of RM0.7 million in the corresponding quarter of 2022. PBT of this segment improved in the current quarter mainly contributed by lower finance costs in the current quarter following from the repayment of loans in FY2022.

**Trading and manufacturing segment:** This segment consists of the cement business and trading of building materials in China as well as the trading in construction materials and manufacturing of construction related products in Malaysia. The revenue recognised from the cement business in China was approximately 90% of this segment revenue in the current quarter. This segment reported revenue of RM53.2 million and PBT of RM1.3 million respectively in the current quarter as compared to revenue of RM5.2 million and LBT of RM0.3 million in the corresponding quarter of 2022. Higher revenue and PBT in current quarter were mainly due to the consolidation of new revenue streams arising from the acquisition of Real Jade group from November 2022, relating to manufacturing, trading and sale of cement as well as activities in energy conservation and reuse solutions in China. However, the corresponding bottom line results in the current quarter were affected by lower production volumes resulting from the scheduled staggered production span during the period.



**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

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

**QUARTERLY ANALYSIS: (CONTINUED)**

**Property segment:** This segment reported revenue and PBT of RM4.4 million and RM0.5 million respectively in the current quarter as compared to RM8.2 million and PBT of RM2.0 million in the corresponding quarter of 2022. Strong competition in the property market from new listings of completed projects and nearby undersold properties, resulted in fewer sales in the current quarter.

**Power segment:** This segment reported revenue and PBT of RM1.8 million and RM5.3 million respectively in the current quarter as compared to revenue of RM2.5 million and PBT of RM5.6 million in the corresponding quarter of 2022. The lower revenue in the current quarter was mainly due to lower operating and maintenance revenue, which is determined based on estimated operating and maintenance costs plus a profit margin.

**Other segment:** This segment consists of the investment holding division of the Group. This segment reported a LBT of RM2.5 million in the current quarter as compared to LBT of RM3.1 million in the corresponding quarter of 2022. The decrease in LBT in the current quarter was mainly due to lower unrealised foreign exchange loss arising mainly from the foreign currency borrowings in the current quarter.

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

	Current Year Quarter 31-MAR-2023 RM'000	Immediate Preceding Quarter 31-DEC-2022 RM'000	Changes	
			RM'000	%
Revenue	103,730	99,442	4,288	4
Profit/(Loss) from operations	8,229	(15,061)	23,290	>100
Profit before interest and tax	15,829	32,918	(17,089)	(52)
Profit before tax	5,090	23,389	(18,299)	(78)
Profit after tax	1,619	18,640	(17,021)	(99)
(Loss)/Profit attributable to owners of the Company	(888)	13,946	(14,834)	>(100)

The Group recorded revenue and profit from operations of RM103.7 million and RM8.2 million in the current quarter compared to revenue and loss from operations of RM99.4 million and RM15.1 million in the immediate preceding quarter. The higher revenue in the current quarter was due to the full consolidation of Real Jade group's result for 3 months in the current quarter compared to 2 months in the preceding quarter. The higher profit from operations in the current quarter was mainly due to one-off adjustments in the preceding quarter arising from change in accounting policies as disclosed in Note 1. In terms of profit before tax ("PBT") and profit after tax ("PAT"), the Group recorded RM5.1 million and RM1.6 million respectively in the current quarter as compared to RM23.4 million and RM18.6 million respectively in the immediate preceding quarter. The lower PBT and PAT in the current quarter was mainly due to the absence of one-off recognition of negative goodwill arising from the acquisition of Real Jade group in the immediate preceding quarter.



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## **QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONTINUED)**

### **NOTES TO QUARTERLY REPORT (CONTINUED)**

#### **17. PROSPECTS**

Ongoing global inflation and the recent 25 basis point increase in the overnight rate to 3.00% in May 2023 will continue to pose challenges to the Group's operations. The construction and property industries will continue to face challenges such as geopolitical uncertainties, supply chain disruptions and inflation, which increase the cost of doing business. Nonetheless, there is hope that the construction sector will improve in the second half of FY2023, especially with the continuation of projects such as the East Coast Railway Link (ECRL), Klang Valley Double Tracking (KVDT) Phase 2, thermal power plants and renewable energy projects, and infrastructure projects in East Malaysia. We are hopeful in securing several infrastructure and private investment projects to replenish our current order book of RM380.7 million with the continuation of Klang Valley MRT3 Circle Line and infrastructure projects in East Malaysia.

With the completion of the Real Jade Group acquisition in November 2022, the new businesses in China has started to impact substantially the Group's financial results. Following the ongoing upgrade of our cement production plant in Shandong, the Group's China subsidiary has been ranked as one of the national high-tech enterprise and we are hopeful that the future contributions will be significant. In addition, we are optimistic that the Group's expanded geographical presence in the China market will be able to capitalise on growth opportunities in cement manufacturing and trading, as well as in the areas of energy conservation and solution reuse activities. The Construction Division is also exploring opportunities to participate in selected projects in China by offering project management services.

At the local level, 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 Programme. In addition, the Group is well positioned to benefit from the recent government announcement on the lifting of the renewable energy export ban, supported by our track record as a one-stop solar photovoltaic power plant services provider. Abroad, the Group continues to seek opportunities in the renewable energy sector 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 experience some recovery in the coming years.

#### **18. VARIANCE ON PROFIT FORECAST**

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



**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

**19. INCOME TAX EXPENSE/(CREDIT)**

	<b>CURRENT QUARTER AND 3 MONTHS ENDED 31-MAR-23 RM'000</b>	<b>CURRENT QUARTER AND 3 MONTHS ENDED 31-MAR-22 RM'000</b>
Current tax expense		
Malaysian taxation	777	735
Overseas taxation - China	3,861	-
	<u>4,638</u>	<u>735</u>
Deferred tax expense	(1,167)	-
	<u>3,471</u>	<u>735</u>

The applicable tax rate for China resident subsidiaries is 25%, except for a subsidiary which has been recognised as a high and new technology enterprise in Shandong Province and enjoys a preferential tax rate of 15%. For the current reporting period, the Group's effective tax rate for overseas taxation is higher than the corresponding statutory tax rate mainly due to the non-recurring withholding tax expenses incurred in the current quarter as a result of the dividend received from a subsidiary in accordance with Enterprise Income Tax Law of China.

**20. GROUP BORROWINGS AND DEBT SECURITIES**

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

<b>AS AT 31 MARCH 2023</b>				
		Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>				
Revolving credits	Floating	-	63,214	63,214
Term loans denominated in RM	Floating	51,769	5,876	57,645
Green SRI Sukuk Wakalah	Fixed	182,628	15,000	197,628
Other borrowings denominated in HKD (HKD130 million)	Fixed	22,502	50,630	73,132
		<u>256,899</u>	<u>134,720</u>	<u>391,619</u>
<b>Unsecured</b>				
Revolving credits	Floating	-	4,000	4,000
Bankers' acceptance	Floating	-	4,161	4,161
Term loan denominated in RM	Fixed	-	30,000	30,000
Term loan denominated in USD (USD20 million)	Fixed	-	88,315	88,315
Other borrowings denominated in HKD (HKD367 million)	Fixed	205,320	-	205,320
		<u>205,320</u>	<u>126,476</u>	<u>331,796</u>
<b>Total Group's borrowings</b>		<u>462,219</u>	<u>261,196</u>	<u>723,415</u>



**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (CONTINUED)**

**NOTES TO QUARTERLY REPORT (CONTINUED)**

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

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

		<b>AS AT 31 MARCH 2022</b>		
		Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>				
Revolving credits	Floating	-	40,468	40,468
Term loan denominated in USD (USD10 million)	Fixed	-	42,068	42,068
Term loan denominated in RM	Fixed/Floating	7,433	4,666	12,099
Green SRI Sukuk Wakalah	Fixed	200,000	15,000	215,000
		<u>207,433</u>	<u>102,202</u>	<u>309,635</u>
<b>Unsecured</b>				
Revolving credits	Floating	-	4,000	4,000
Bankers' acceptance	Floating	-	2,567	2,567
Term loan denominated in RM	Fixed	-	46,000	46,000
Term loan denominated in USD (USD20 million)	Fixed	84,136	-	84,136
Advance from shareholder	Fixed	-	15,500	15,500
		<u>-</u>	<u>68,067</u>	<u>152,203</u>
<b>Total Group's borrowings</b>		<u>291,569</u>	<u>170,269</u>	<u>461,838</u>

- ii. Total borrowings reduced from RM729.9 million as at 31 December 2022 to RM723.4 million as at 31 March 2023 mainly due to the repayment of loans and other borrowings during the year after offsetting the unrealised forex loss arising from foreign currency borrowings.
- iii. Total repayment of borrowings during the period under review amounted to RM17.2 million with an estimated net interest savings of RM1.0 million per annum.
- iv. The weighted average interest rate of the Group's borrowings is 5.71% p.a for the period under review.



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**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (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:

	<b>AS AT 31-MAR-23 RM'000</b>
Neither past due nor impaired	238,772
1 to 30 days past due but not impaired	3,253
31 to 60 days past due but not impaired	6,432
61 to 90 days past due but not impaired	2,552
More than 90 days past due but not impaired	7,905
	<u>258,914</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 FIRST QUARTER ENDED 31 MARCH 2023 (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 31 March 2023.

**24. BASIC EARNINGS PER SHARE**

The 'Basic and Diluted earnings per share' for the current period are calculated by dividing the profit 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.

	<b>CURRENT QUARTER AND 3 MONTHS ENDED 31-MAR-23</b>
<b><u>Basic loss per share</u></b>	
Loss for the period attributable to owners of the Company (RM'000)	(888)
Weighted average number of ordinary shares ('000)	1,538,567
Basic loss earnings per share (sen)	<u>(0.06)</u>
<b><u>Diluted loss per shares</u></b>	
Weighted average number of ordinary shares ('000)	1,538,567
Effect of dilution from potential exercise of warrants ('000)	<u>70,839</u>
	<u>1,609,406</u>
Diluted loss earnings per share (sen)	<u>(0.06)</u>