



Mudajaya Group Berhad

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

**Interim Financial Report
30 June 2023**



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-JUN-23 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUN-22 RM'000 (Restated)	CURRENT YEAR TO DATE 30-JUN-23 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-JUN-22 RM'000 (Restated)
Revenue	121,740	59,072	225,470	117,193
Operating expenses	(127,524)	(58,540)	(223,025)	(112,042)
(Loss)/Profit from operations	(5,784)	532	2,445	5,151
Interest income	8,510	6,999	16,501	13,843
Other income	1,695	913	3,833	1,719
Foreign exchange (loss)/gain	(2,454)	193	(2,890)	379
Fair value gain/(loss) on derivative	-	40	-	(926)
Depreciation and amortization	(4,470)	(2,079)	(9,010)	(4,390)
Gain on disposal of property, plant and equipment	264	1	264	86
Fair value gain on other investment	-	4,000	-	4,000
Reversal of/(Allowance for) impairment of financial instruments	90	(1,800)	90	(1,762)
Finance costs	(14,631)	(7,292)	(25,370)	(14,642)
Share of results of associates, net of tax	964	1,200	3,411	3,491
(Loss)/Profit before tax	(15,816)	2,707	(10,726)	6,949
Income tax expense	(4,543)	(487)	(8,014)	(1,222)
(Loss)/Profit after tax	(20,359)	2,220	(18,740)	5,727



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-JUN-23 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUN-22 RM'000 (Restated)	CURRENT YEAR TO DATE 30-JUN-23 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-JUN-22 RM'000 (Restated)
Other comprehensive income/ (expenses):				
Foreign currency translation differences	(14,550)	(1,702)	(15,909)	(1,990)
Total comprehensive income	(34,909)	518	(34,649)	3,737
(Loss)/Profit attributable to:				
Owners of the Company	(24,893)	1,481	(25,781)	4,028
Non-controlling interest	4,534	739	7,041	1,699
	(20,359)	2,220	(18,740)	5,727
Total comprehensive income/ (expense) attributable to:				
Owners of the Company	(42,004)	(194)	(47,522)	2,072
Non-controlling interest	7,095	712	12,873	1,665
	(34,909)	518	(34,649)	3,737
(Loss)/Earnings per share (sen):				
Basic	(1.33)	0.11	(1.37)	0.31
Diluted	(1.28)	0.08	(1.32)	0.21

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
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	UNAUDITED AS AT 30-JUN-23 RM'000	AUDITED AS AT 31-DEC-22 RM'000
Assets		
Property, plant and equipment	188,243	170,525
Right of use assets	40,318	41,790
Investment properties	49,456	49,918
Intangible assets	11,303	11,604
Service concession assets	272,123	278,354
Investment in associates	26,023	22,612
Other investments	29,252	28,436
Land held for property development	11,121	11,121
Other receivables	17,936	17,554
Deferred tax asset	1,925	1,925
Total non-current assets	647,700	633,839
Service concession assets	12,565	12,565
Inventories	107,373	110,635
Other current assets	156,171	156,145
Contract assets	32,748	65,610
Trade and other receivables	727,403	683,723
Loan receivables	20,055	29,130
Financial assets at fair value through profit or loss	14,923	-
Tax recoverable	2,711	2,922
Cash and bank balances	314,743	231,294
Total current assets	1,388,692	1,292,024
Total assets	2,036,392	1,925,863
Equity		
Share capital	663,450	663,450
Warrant Reserves	4,195	4,195
Foreign currency translation reserve	(24,973)	(3,232)
Accumulated losses	(286,050)	(260,269)
Equity attributable to owners of the Company	356,622	404,144
Non-controlling interests	284,234	274,844
Total equity	640,856	678,988
Liabilities		
Loans and borrowings	452,502	473,502
Lease liabilities	40,839	41,868
Refundable deposits	2,658	2,695
Deferred tax liabilities	34,835	35,411
Total non-current liabilities	530,834	553,476
Loans and borrowings	296,880	256,359
Lease liabilities	2,637	2,655
Trade and other payables	508,904	379,854
Contract liabilities	7,045	6,248
Tax liabilities	49,236	48,283
Total current liabilities	864,702	693,399
Total liabilities	1,395,536	1,246,875
Total equity and liabilities	2,036,392	1,925,863
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.19	0.22

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 SECOND QUARTER ENDED 30 JUNE 2023

	← 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
At 1 January 2023	663,450	4,195	(3,232)	(260,269)	404,144	274,844	678,988
Foreign currency translation differences for foreign operations	-	-	(21,741)	-	(21,741)	5,832	(15,909)
(Loss)/Profit for the period	-	-	-	(25,781)	(25,781)	7,041	(18,740)
Total comprehensive (expense)/income	-	-	(21,741)	(25,781)	(47,522)	12,873	(34,649)
Dividends to non-controlling interest	-	-	-	-	-	(3,483)	(3,483)
At 30 June 2023	663,450	4,195	(24,973)	(286,050)	356,622	284,234	640,856



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2023
(CONTINUED)**

	← 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			
At 31 January 2022 (As previously stated)	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
At 31 January 2022 (As restated)	502,054	38,426	2,095	(277,862)	264,713	38,088	302,801
Foreign currency translation differences for foreign operations	-	-	(1,956)	-	(1,956)	(34)	(1,990)
Profit for the period	-	-	-	4,028	4,028	1,699	5,727
Total comprehensive (expense)/income	-	-	(1,956)	4,028	2,072	1,665	3,737
At 30 June 2022 (Restated)	502,054	38,426	139	(273,834)	266,785	39,753	306,538



MUDAJAYA GROUP BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
SECOND QUARTER ENDED 30 JUNE 2023**

	6-MONTHS ENDED	
	30-JUN-23	30-JUN-22
	RM'000	RM'000
		(Restated)
Cash flows from operating activities		
(Loss)/Profit before tax	(10,726)	6,949
<i>Adjustments for:</i>		
Amortisation of intangible assets	391	310
Depreciation of investment properties	530	531
Depreciation of property, plant and equipment	6,199	2,268
Depreciation of right-of-use assets	1,890	1,281
Fair value loss on derivative	-	926
Fair value gain on other investment	-	(4,000)
Gain on disposal of property, plant and equipment	(264)	(86)
Reversal of impairment loss of trade and other receivables	-	1,762
Interest income	(16,501)	(7,410)
Interest expense	25,370	14,642
Share of profit of equity accounted associates	(3,411)	(3,491)
Net unrealised loss on foreign exchange	2,534	2,908
Operating profit before changes in working capital	6,012	16,590
Decrease/(Increase) in:		
Service concession assets	20,512	12,633
Inventories	2,194	6,613
Contract assets	32,862	(753)
Trade and other receivables	(73,091)	3,219
Increase/(Decrease) in:		
Trade and other payables	142,144	(22,788)
Refundable deposits	(37)	122
Contract liabilities	797	(370)
Cash generated from operations	131,393	15,266
Tax paid	(9,370)	(2,796)
Tax refunded	445	1,142
Net cash generated from operating activities	122,468	13,612



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

	6-MONTHS ENDED	
	30-JUN-23	30-JUN-22
	RM'000	RM'000
		(Restated)
Cash flows from investing activities		
Additions in other investments	(816)	-
Purchase of property, plant and equipment	(20,731)	(475)
Purchase of financial assets at fair value through profit or loss	(14,923)	-
Repayment from associates	861	3,730
Interest received	2,220	1,048
Proceeds from disposal of property, plant and equipment	264	89
Proceeds from redemption of loan receivables	9,502	-
Change in pledged deposits	(30,334)	13,421
Net cash (used in)/generated from investing activities	(53,957)	17,813
Cash flows from financing activities		
Interest paid	(24,180)	(14,642)
Dividends paid to non-controlling interests	(3,483)	-
Net repayment of loans and borrowings	(13,702)	(23,922)
Repayment for lease liabilities	(2,620)	(666)
Net cash used in financing activities	(43,985)	(39,230)
Net increase/(decrease) in cash and cash equivalents	24,526	(7,805)
Effect of foreign exchange translation	28,589	-
Cash and cash equivalents as at the beginning of the year	168,369	57,101
Cash and cash equivalents as at the end of the period	221,484	49,296
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise:		
Cash and bank balances	164,781	31,664
Deposits placed with financial institutions	149,962	93,836
	314,743	125,500
Less:		
Pledged deposits	(93,259)	(76,204)
	221,484	49,296

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 SECOND QUARTER ENDED 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 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:

	6 MONTHS ENDED 30-JUN-23 RM'000	6 MONTHS ENDED 30-JUN-22 RM'000
Associates		
<i>PT Harmoni Energy Indonesia</i>		
Interest income	344	452
Secondment fee	142	124
<i>Musyati Mudajaya JV Sdn Bhd</i>		
Project management fee	-	211
Secondment fee	65	65
Corporate guarantee fee	148	148



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION

QUARTERLY RESULTS:

	Construction	Trading and manufacturing	Property	Power	Others	Adjustments and eliminations	Total
Q2 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:							
External customers	26,799	89,332	3,809	1,800	-	-	121,740
Inter-segment	-	4,283	513	540	-	(5,336)	-
Total revenue	26,799	93,615	4,322	2,340	-	(5,336)	121,740
Results:							
(Loss)/Profit before tax	(30,013)	11,319	530	5,217	(7,495)	4,626	(15,816)
Interest income	217	493	49	7,749	2	-	8,510
Interest expenses	(956)	(7,323)	(907)	(3,752)	(1,693)	-	(14,631)
Depreciation and amortisation	(85)	(3,131)	(446)	(780)	(28)	-	(4,470)
Reversal of impairment loss on receivables	-	-	90	-	-	-	90
Share of profit of associates	(10)	-	-	974	-	-	964
Income tax expenses	(47)	(3,730)	(286)	(480)	-	-	(4,543)
(Loss)/Profit after tax	(30,060)	7,589	244	4,737	(7,495)	4,626	(20,359)



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION (CONTINUED)

QUARTERLY RESULTS: (CONTINUED)

	Construction	Trading and manufacturing	Property	Power	Others	Adjustments and eliminations	Total
Q2 2022 (Restated)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:							
External customers	47,618	5,350	4,794	1,310	-	-	59,072
Inter-segment	-	4,836	504	510	-	(5,850)	-
Total revenue	47,618	10,186	5,298	1,820	-	(5,850)	59,072
Results:							
(Loss)/Profit before tax	(3,205)	(1,045)	1,243	8,176	(6,117)	3,655	2,707
Interest income	104	-	21	6,780	94	-	6,999
Interest expenses	(1,688)	(60)	(33)	(3,691)	(1,820)	-	(7,292)
Depreciation and amortisation	(412)	(449)	(418)	(773)	(27)	-	(2,079)
Fair value gain on other investments	-	-	-	4,000	-	-	4,000
Impairment loss on receivables	(1,800)	-	-	-	-	-	(1,800)
Share of profit of associates	(130)	-	-	1,330	-	-	1,200
Income tax expenses	-	(20)	(435)	(32)	-	-	(487)
(Loss)/Profit after tax	(3,205)	(1,065)	808	8,144	(6,117)	3,655	2,220



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION (CONTINUED)

YEAR-TO-DATE RESULTS:

	Construction	Trading and manufacturing	Property	Power	Others	Adjustments and eliminations	Total
6 MONTHS ENDED 30-JUN-2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:							
External customers	71,103	142,555	8,232	3,580	-	-	225,470
Inter-segment	-	9,109	1,026	1,077	-	(11,212)	-
Total revenue	71,103	151,664	9,258	4,657	-	(11,212)	225,470
Results:							
(Loss)/Profit before tax	(29,518)	12,578	1,036	10,545	(9,999)	4,632	(10,726)
Interest income	387	926	94	15,092	2	-	16,501
Interest expenses	(1,820)	(10,762)	(1,757)	(7,592)	(3,439)	-	(25,370)
Depreciation and amortisation	(244)	(6,267)	(884)	(1,560)	(55)	-	(9,010)
Reversal of impairment loss on receivables	-	-	90	-	-	-	90
Share of profit of associates	186	-	-	3,225	-	-	3,411
Income tax expenses	(79)	(6,429)	(534)	(972)	-	-	(8,014)
(Loss)/Profit after tax	(29,597)	6,149	502	9,573	(9,999)	4,632	(18,740)



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION (CONTINUED)

YEAR-TO-DATE RESULTS: (CONTINUED)

	Construction	Trading and manufacturing	Property	Power	Others	Adjustments and eliminations	Total
AS AT 30-JUN-23	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	8,114	-	-	17,909	-	-	26,023
Additions to non-current assets	111	20,528	92	-	-	-	20,731
Segment assets	416,801	1,110,403	247,844	425,532	534,762	(698,950)	2,036,392
Segment liabilities	400,182	871,833	122,815	361,870	149,231	(510,395)	1,395,536



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION (CONTINUED)

YEAR-TO-DATE RESULTS: (CONTINUED)

	Construction	Trading and manufacturing	Property	Power	Others	Adjustments and eliminations	Total
6 MONTHS ENDED	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30-JUN-2022 (Restated)							
Revenue:							
External customers	89,901	10,519	13,011	3,762	-	-	117,193
Inter-segment	-	11,069	1,007	1,020	-	(13,096)	-
Total revenue	89,901	21,588	14,018	4,782	-	(13,096)	117,193
Results:							
(Loss)/Profit before tax	(3,884)	(1,304)	3,281	13,810	(9,218)	4,264	6,949
Interest income	220	-	32	13,484	107	-	13,843
Interest expenses	(3,380)	(118)	(66)	(7,527)	(3,551)	-	(14,642)
Depreciation and amortisation	(1,024)	(938)	(827)	(1,547)	(54)	-	(4,390)
Fair value gain on derivative	(926)	-	-	-	-	-	(926)
Fair value gain on other investments	-	-	-	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	-	(76)	(1,077)	(69)	-	-	(1,222)
(Loss)/Profit after tax	(3,884)	(1,380)	2,204	13,741	(9,218)	4,264	5,727



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

9. SEGMENTAL INFORMATION (CONTINUED)

YEAR-TO-DATE RESULTS: (CONTINUED)

	Construction	Trading and manufacturing	Property	Power	Others	Adjustments and eliminations	Total
AS AT 30-JUN-22 (Restated)	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	123	290	6	-	-	475
Segment assets	379,731	35,613	195,845	433,495	463,956	(532,529)	976,111
Segment liabilities	333,745	23,566	80,493	372,607	197,105	(337,943)	669,573

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



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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
6 MONTHS ENDED 30-JUN-2023				
External customers	95,282	130,188	-	225,470
Inter-segment	11,212	-	(11,212)	-
Total revenue	106,494	130,188	(11,212)	225,470
(Loss)/Profit before tax	(28,322)	12,964	4,632	(10,726)
As at 30-JUN-2023				
Segment assets	1,653,391	1,081,951	(698,950)	2,036,392
Segment liabilities	1,048,068	857,863	(510,395)	1,395,536
6 MONTHS ENDED 30-JUN-2022 (Restated)				
External customers	117,193	-	-	117,193
Inter-segment	13,096	-	(13,096)	-
Total revenue	130,289	-	(13,096)	117,193
Profit before tax	2,685	-	4,264	6,949
As at 30-JUN-2022 (Restated)				
Segment assets	1,508,640	-	(532,529)	976,111
Segment liabilities	1,007,516	-	(337,943)	669,573



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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
Q2 2023				
External customers	39,534	82,206	-	121,740
Inter-segment	5,336	-	(5,336)	-
Total revenue	<u>44,870</u>	<u>82,206</u>	<u>(5,336)</u>	<u>121,740</u>
(Loss)/Profit before tax	(31,598)	11,156	4,626	(15,816)
Q2 2022 (Restated)				
External customers	59,072	-	-	59,072
Inter-segment	5,850	-	(5,850)	-
Total revenue	<u>64,922</u>	<u>-</u>	<u>(5,850)</u>	<u>59,072</u>
(Loss)/Profit before tax	(948)	-	3,655	2,707

Exchange rates used:

As at 30 June 2023 - MYR / RMB : 1.5522
For the period ended 30 June 2023 – MYR / RMB : 1.5531



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

15. REVIEW OF PERFORMANCE

	Individual Quarter			
	Current Year Quarter 30-JUN-2023 RM'000	Preceding Year Corresponding Quarter 30-JUN-2022 RM'000 (Restated)	Changes	
			RM'000	%
Revenue	121,740	59,072	62,668	>100
(Loss)/Profit from operations	(5,784)	532	(6,316)	>(100)
(Loss)/Profit before interest and tax	(1,185)	9,999	(11,184)	>(100)
(Loss)/Profit before tax	(15,816)	2,707	(18,523)	>(100)
(Loss)/Profit after tax	(20,359)	2,220	(22,579)	>(100)
(Loss)/Profit attributable to owners of the Company	(24,893)	1,481	(26,374)	>(100)

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

The Group recorded revenue of RM121.7 million and loss before tax ("LBT") of RM15.8 million in the current quarter as compared to revenue of RM59.1 million and profit before tax ("PBT") of RM2.7 million in the corresponding quarter of 2022. The current quarter's revenue 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 LBT in the current quarter compared to the PBT in the corresponding quarter of 2022 is mainly due to the reassessment of the cost of a construction contract. However, the impact is partially offset by the profit generated by Real Jade Group.

The performances of the respective business segments are as follow:

Construction segment: This segment reported revenue and LBT of RM26.8 million and RM30.0 million respectively in the current quarter as compared to revenue of RM47.6 million and LBT of RM3.2 million in the corresponding quarter of 2022. The lower performance in the current quarter is mainly due to the reassessment of the cost of a construction contract as mentioned above.

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 92% of this segment revenue in the current quarter. This segment reported revenue of RM89.3 million and PBT of RM11.3 million respectively in the current quarter as compared to revenue of RM5.4 million and LBT of RM1.0 million in the corresponding quarter of 2022. Higher revenue and PBT in current quarter are 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.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

15. REVIEW OF PERFORMANCE (CONTINUED)

QUARTERLY ANALYSIS: (CONTINUED)

Property segment: This segment reported revenue and PBT of RM3.8 million and RM0.5 million respectively in the current quarter as compared to RM4.8 million and PBT of RM1.2 million in the corresponding quarter of 2022. Currently, efforts are continuing to clean up the remaining property portfolio while new projects are expected in Batu Kawah New Township at Kuching, Sarawak.

Power segment: This segment reported revenue and PBT of RM1.8 million and RM5.2 million respectively in the current quarter as compared to revenue of RM1.3 million and PBT of RM8.2 million in the corresponding quarter of 2022. Lower PBT in the current quarter is mainly due to the recognition of the fair value gain on investment in RKM in the corresponding quarter of 2022.

Other segment: This segment consists of the investment holding division of the Group. This segment reported a LBT of RM7.5 million in the current quarter as compared to LBT of RM6.1 million in the corresponding quarter of 2022. The higher LBT in the current quarter was mainly due to higher unrealised foreign exchange losses mainly resulting from foreign currency borrowings in the current quarter.

YEAR-TO-DATE ANALYSIS

	Cumulative Period			
	Current Year To-date 30-JUN-2023 RM'000	Preceding Year Corresponding Period 30-JUN-2022 RM'000	Changes	
			RM'000	%
Revenue	225,470	117,193	108,277	92
Profit from operations	2,445	5,151	(2,706)	(53)
Profit before interest and tax	14,644	21,591	(6,947)	(32)
(Loss)/Profit before tax	(10,726)	6,949	(17,675)	>(100)
(Loss)/Profit after tax	(18,740)	5,727	(24,467)	>(100)
(Loss)/Profit attributable to owners of the Company	(25,781)	4,028	(29,809)	>(100)

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

The Group reported revenue of RM225.5 million and LBT of RM10.7 million for the period ended 30 June 2023 as compared to revenue of RM117.2 million and PBT of RM6.9 million in the corresponding period ended 30 June 2022. As mentioned earlier, the current period's revenue reflect the consolidation of new revenue streams attributable to the acquisition of Real Jade Group in November 2022. The LBT in the current period as compared to PBT in the corresponding quarter of 2022 is mainly due to the reassessment of the cost of a construction contract. However, the impact is partially offset by the profit generated by Real Jade Group.



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

15. REVIEW OF PERFORMANCE (CONTINUED)

YEAR-TO-DATE ANALYSIS: (CONTINUED)

The performances of the respective business segments are as follows:

Construction segment: This segment reported revenue of RM71.1 million and LBT of RM29.5 million in the current 6 months period as compared to revenue of RM89.9 million and LBT of RM3.9 million in the previous year's corresponding period. The lower performance in the current period is mainly due to the reassessment of the cost of a construction contract as mentioned above.

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 91% of this segment revenue in the current period. This segment reported revenue of RM142.6 million and PBT of RM12.6 million in the current period as compared to revenue of RM10.5 million and LBT of RM1.3 million in the previous year's corresponding period. As explained earlier, the segment has consolidated the new revenue streams of China business arising from 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, which has improved the revenue and PBT significantly.

Property segment: This segment reported revenue of RM8.2 million and PBT of RM1.0 million in the current 6 months period as compared to revenue of RM13.0 million and PBT of RM3.3 million in the previous year's corresponding period. Currently, efforts are continuing to clean up the remaining property portfolio while new projects are expected in Batu Kawah New Township at Kuching, Sarawak.

Power segment: This segment reported revenue of RM3.6 million and PBT of RM10.5 million in the current period as compared to revenue of RM3.8 million and PBT of RM13.8 million in the previous year's corresponding period. The revenue remains constant whilst lower PBT in the current period is mainly due to the recognition of the fair value gain on investment in RKM in the corresponding period of 2022.

Other segment: This segment consists of the investment holding division of the Group. This segment reported LBT of RM10.0 million in the current period ended 30 June 2023 as compared LBT of RM9.2 million in the previous year's corresponding period. The higher LBT in the current period is mainly due to higher unrealised foreign exchange losses mainly resulting from foreign currency borrowings in the current period.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

16. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 30-JUN-2023 RM'000	Immediate Preceding Quarter 31-MAR-2023 RM'000	Changes	
			RM'000	%
Revenue	121,740	103,730	18,010	17
(Loss)/Profit from operations	(5,784)	8,229	(14,013)	>(100)
(Loss)/Profit before interest and tax	(1,185)	15,829	(17,014)	>(100)
(Loss)/Profit before tax	(15,816)	5,090	(20,906)	>(100)
(Loss)/Profit after tax	(20,359)	1,619	(21,978)	>(100)
(Loss)/Profit attributable to owners of the Company	(24,893)	(888)	(24,005)	>(100)

The Group recorded revenue and LBT of RM121.7 million and RM15.8 million in the current quarter compared to revenue and PBT of RM103.7 million and RM5.1 million in the immediate preceding quarter. The higher revenue in the current quarter was mainly contributed by the higher sales of cement in China as the production has resumed to the normal capacity in the current quarter. However, as mentioned above, the Group's bottom line was impacted by the reassessment of the cost of a construction contract in the current quarter after being offset by the profit from the cement business in China.



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

17. PROSPECTS

The new businesses of Real Jade group in China has started to contribute significantly to the Group with revenue and profit before tax of RM82.2 million and RM11.2 million respectively in the current quarter. Following the ongoing upgrade of our cement production plant in Shandong, the Group's China subsidiary has entered the ranks national high-tech enterprises jointly issued by Beijing Municipal Science and Technology Commission, Beijing Municipal Bureau of Finance and Beijing Municipal Taxation Bureau. This achievement is a testimony the Real Jade Group's excellent scientific and technological talents and R&D teams with strong competitiveness. 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 waste recycling solutions. In addition to our manufacturing venture in China, the Construction Division is also exploring opportunities to participate in selected projects in China by providing project management services.

At the local level, the 2023 budget¹ has highlighted the construction sector will grow by 6.1% in 2023, with all subsectors showing improved performance. It is hoped that Malaysian construction sector will improve in the second half of FY2023, especially with the continuation of several key infrastructure projects such as East Coast Railway Link Project (ECRL), utility related projects such sewerage treatment plants and power generation projects. With the recent success in securing a RM195.1 million contract related to ECRL project in August 2023, we are hopeful to secure other infrastructure and private investment projects to replenish our current order book of RM479.5 million.

Mudajaya's Concession Asset is poised to participate in the renewable energy generation projects related to the recently announced National Energy Transition Roadmap (NETR) Phase 1. In addition, the Group is also well positioned to benefit from the recent government announcement on the lifting of the renewable energy export ban thus permitting cross border electricity sales programme. Abroad, the Group continues to seek opportunities in the renewable energy sector in Indonesia.

The current economic environment provides opportunities for our property division to continue its new launches in Batu Kawah New Township at Kuching, Sarawak.

¹ Source: Budget 2023, MOF

18. VARIANCE ON PROFIT FORECAST

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



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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (CONTINUED)

NOTES TO QUARTERLY REPORT (CONTINUED)

19. INCOME TAX EXPENSE/(CREDIT)

	CURRENT QUARTER 30-JUN-23 RM'000	6 MONTHS ENDED 30-JUN-23 RM'000	CURRENT QUARTER 30-JUN-22 RM'000	6 MONTHS ENDED 30-JUN-23 RM'000
Current tax expense				
Malaysian taxation	828	1,605	487	1,222
Overseas taxation - China	3,008	6,869	-	-
	<u>3,836</u>	<u>8,474</u>	<u>487</u>	<u>1,222</u>
Underprovision of tax in prior years				
Overseas taxation - China	435	435	-	-
Deferred tax expense	272	(895)	-	-
	<u>4,543</u>	<u>8,014</u>	<u>487</u>	<u>1,222</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 period 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:

AS AT 30 JUNE 2023				
		Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured				
Revolving credits	Floating	-	70,214	70,214
Term loans denominated in RM	Floating	49,801	7,162	56,963
Green SRI Sukuk Wakalah	Fixed	182,791	14,838	197,629
Other borrowings denominated in HKD (HKD130 million)	Fixed	-	77,534	77,534
		<u>232,592</u>	<u>169,748</u>	<u>402,340</u>
Unsecured				
Revolving credits	Floating	-	4,000	4,000
Bankers' acceptance	Floating	-	3,661	3,661
Term loan denominated in RM	Fixed	-	26,000	26,000
Term loan denominated in USD (USD20 million)	Fixed	-	93,471	93,471
Other borrowings denominated in HKD (HKD367 million)	Fixed	219,910	-	219,910
		<u>219,910</u>	<u>127,132</u>	<u>347,042</u>
Total Group's borrowings		<u>452,502</u>	<u>296,880</u>	<u>749,382</u>



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (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 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 Green SRI Sukuk Wakalah	Fixed/Floating	2,835	4,906	7,741
	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>

- ii. Total borrowings increased from RM729.9 million as at 31 December 2022 to RM749.4 million as at 30 June 2023 mainly due to unrealised foreign exchange losses on foreign currency borrowings of approximately RM32.8 million coupled with drawdown of borrowings amounting RM10.0 million after offsetting repayment of loans and borrowings during the period.
- iii. Total repayment of borrowings during the period under review amounted to RM23.7 million with an estimated net interest savings of RM1.3 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 SECOND QUARTER ENDED 30 JUNE 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:

	AS AT 30-JUN-23 RM'000
Neither past due nor impaired	232,108
1 to 30 days past due but not impaired	13,759
31 to 60 days past due but not impaired	4,546
61 to 90 days past due but not impaired	6,653
More than 90 days past due but not impaired	13,685
	<u>270,751</u>

Trade receivables are non-interest bearing and generally on 30 days to 365 days terms.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 30 June 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.

	CURRENT QUARTER 30-JUN-23	6 MONTHS ENDED 30-JUN-23
<u>Basic loss per share</u>		
Loss for the period attributable to owners of the Company (RM'000)	(24,893)	(25,781)
Weighted average number of ordinary shares ('000)	1,875,748	1,875,748
Basic loss earnings per share (sen)	<u>(1.33)</u>	<u>(1.37)</u>
<u>Diluted loss per shares</u>		
Weighted average number of ordinary shares ('000)	1,875,748	1,875,748
Effect of dilution from potential exercise of warrants ('000)	<u>70,839</u>	<u>70,839</u>
	<u>1,946,587</u>	<u>1,946,587</u>
Diluted loss earnings per share (sen)	<u>(1.28)</u>	<u>(1.32)</u>