

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER
ENDED 31 MARCH 2017**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-MAR-17 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-MAR-16 RM'000	CURRENT YEAR TO DATE 31-MAR-17 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-MAR-16 RM'000
Continuing Operations				
Revenue	156,993	177,454	156,993	177,454
Operating expenses	(140,960)	(153,347)	(140,960)	(153,347)
Profit from operations	<u>16,033</u>	<u>24,107</u>	<u>16,033</u>	<u>24,107</u>
Interest income	2,553	1,785	2,553	1,785
Other income	1,619	1,432	1,619	1,432
Foreign exchange loss	(752)	(7,531)	(752)	(7,531)
Depreciation and amortization	(4,101)	(3,952)	(4,101)	(3,952)
ESOS expenses	(447)	-	(447)	-
Interest expense	(11,404)	(6,759)	(11,404)	(6,759)
Share of results of associates	(28,665)	254	(28,665)	254
(Loss)/Profit before tax	<u>(25,164)</u>	<u>9,336</u>	<u>(25,164)</u>	<u>9,336</u>
Income tax expense	(972)	(2,374)	(972)	(2,374)
(Loss)/Profit from continuing operations	<u>(26,136)</u>	<u>6,962</u>	<u>(26,136)</u>	<u>6,962</u>
Other comprehensive income:				
Foreign currency translation differences	(333)	(2,721)	(333)	(2,721)
Total comprehensive (expense)/income	<u>(26,469)</u>	<u>4,241</u>	<u>(26,469)</u>	<u>4,241</u>
(Loss)/Profit attributable to:				
Owners of the Company	(26,759)	5,952	(26,759)	5,952
Non-controlling interest	623	1,010	623	1,010
	<u>(26,136)</u>	<u>6,962</u>	<u>(26,136)</u>	<u>6,962</u>
Total comprehensive (expense)/income attributable to:				
Owners of the Company	(27,062)	3,231	(27,062)	3,231
Non-controlling interest	593	1,010	593	1,010
	<u>(26,469)</u>	<u>4,241</u>	<u>(26,469)</u>	<u>4,241</u>
(Loss)/Earnings per share (sen) attributable to equity holders of the Company:				
Basic (loss)/earnings per share (sen)	<u>(4.96)</u>	<u>1.10</u>	<u>(4.96)</u>	<u>1.10</u>
Diluted (loss)/earnings per share (sen)	<u>(4.88)</u>	<u>1.08</u>	<u>(4.88)</u>	<u>1.08</u>

Note :

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

The Basic EPS for both current and corresponding periods have been calculated based on weighted average of 540,020,000 ordinary shares. The Diluted EPS for both current and corresponding periods have been calculated based on adjusted weighted average of 548,181,000 and 550,028,000 respectively.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
(The figures have not been audited)

	AS AT 31-MAR-17 RM'000	AS AT 31-DEC-16 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	111,771	113,172
Investment properties	48,920	49,116
Intangible assets	10,998	11,153
Investment in associates	533,904	561,810
Other investments	816	816
Deferred tax asset	493	493
	<u>706,902</u>	<u>736,560</u>
Current assets		
Inventories	39,671	41,718
Property development costs	43,334	39,235
Trade and other receivables	299,592	402,715
Other current assets	502,531	485,121
Tax recoverable	15,975	15,973
Cash and bank balances	341,564	328,120
	<u>1,242,667</u>	<u>1,312,882</u>
TOTAL ASSETS	<u>1,949,569</u>	<u>2,049,442</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	337,122	110,483
Reserves	363,568	616,822
Equity attributable to owners of the Company	<u>700,690</u>	<u>727,305</u>
Non-controlling interests	(17,588)	(18,181)
Total equity	<u>683,102</u>	<u>709,124</u>
Non-current liabilities		
Deferred tax liabilities	1,367	2,224
Loans and borrowings	421,940	424,596
Refundable deposits	2,294	2,039
	<u>425,601</u>	<u>428,859</u>
Current liabilities		
Trade and other payables	422,392	500,974
Amount due to contracts customers	26,850	17,945
Loans and borrowings	391,566	392,076
Tax liabilities	58	464
	<u>840,866</u>	<u>911,459</u>
Total liabilities	<u>1,266,467</u>	<u>1,340,318</u>
TOTAL EQUITY AND LIABILITIES	<u>1,949,569</u>	<u>2,049,442</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>1.30</u>	<u>1.35</u>

Note :

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 2016.

The Net Assets Per Share for both current and corresponding periods have been calculated based on 552,418,466 ordinary shares less treasury shares respectively.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2017

(The figures have not been audited)

<-----Attributable to Equity Holders of the Company ----->

	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Employees' share option reserve RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non - controlling interests RM'000	Total equity RM'000
At 1 January 2017	110,483	221,739	4,900	8,535	(34,688)	(13,955)	430,291	727,305	(18,181)	709,124
Foreign currency translation differences for foreign operations	-	-	-	-	-	(303)	-	(303)	(30)	(333)
Share-based payment transactions	-	-	-	447	-	-	-	447	-	447
(Loss)/Profit for the period	-	-	-	-	-	-	(26,759)	(26,759)	623	(26,136)
	-	-	-	447	-	(303)	(26,759)	(26,615)	593	(26,022)
Transition to no-par value regime on 31 January 2017[^]	226,639	(221,739)	(4,900)	-	-	-	-	-	-	-
At 31 March 2017	337,122	-	-	8,982	(34,688)	(14,258)	403,532	700,690	(17,588)	683,102
At 1 January 2016	110,483	221,739	4,900	8,609	(34,688)	(17,670)	812,548	1,105,921	(15,939)	1,089,982
Foreign currency translation differences for foreign operations	-	-	-	-	-	(2,721)	-	(2,721)	-	(2,721)
Profit for the period	-	-	-	-	-	-	5,952	5,952	1,010	6,962
	-	-	-	-	-	(2,721)	5,952	3,231	1,010	4,241
At 31 March 2016	110,483	221,739	4,900	8,609	(34,688)	(20,391)	818,500	1,109,152	(14,929)	1,094,223

[^] Pursuant to the transitional provisions set out in Section 618(2) of the Companies Act, 2016, the concept of nominal value in shares is abolished. Consequently, the share premium account and capital redemption reserves of a Company are no longer relevant. Instead, the amount standing in the share premium account and the capital redemption reserve are recognised as part of the Company's share capital. Notwithstanding this provision, a Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium accounts for the bonus issue pursuant to Section 618(4) of the Act.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

(The figures have not been audited)

	3 MONTHS ENDED	
	31-MAR-17	31-MAR-16
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(25,164)	9,336
Adjustments for:		
Amortisation of intangible asset	155	155
Depreciation of investment property	246	180
Depreciation of property, plant and equipment	3,700	3,617
ESOS expenses	447	-
Gain on disposal of property, plant and equipment	(628)	-
Interest income	(2,553)	(1,785)
Interest expense	11,404	6,759
Share of results of equity accounted associates	28,665	(254)
Reversal of unrealised profit adjustment	(759)	-
Unrealised loss on foreign exchange	415	7,531
Operating profit before working capital changes	<u>15,928</u>	<u>25,539</u>
Changes in working capital:		
Inventories	2,047	999
Property development costs	(4,099)	(2,602)
Trade and other receivables	85,622	21,509
Trade and other payables	(72,735)	(3,565)
Cash generated from operations	<u>26,763</u>	<u>41,880</u>
Tax paid	(2,316)	(1,367)
Tax refunded	79	-
Net cash generated from operating activities	<u>24,526</u>	<u>40,513</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(312)	(1,094)
Advances to associates	-	(6,782)
Interest received	2,553	1,785
Proceeds from disposal of property, plant and equipment	702	-
Change in pledged deposits	(232,001)	-
Net cash generated used in investing activities	<u>(229,058)</u>	<u>(6,091)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(11,404)	(6,759)
Proceeds from loans and borrowings	248,700	-
Repayment of loans and borrowings	(251,230)	(31,515)
Repayment of finance lease liabilities	(91)	-
Net cash generated used in financing activities	<u>(14,025)</u>	<u>(38,274)</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (CONT'D)

(The figures have not been audited)

	3 MONTHS ENDED	
	31-MAR-17	31-MAR-16
	RM'000	RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(218,557)	(3,852)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD	318,252	70,176
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD	99,695	66,324
Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise:		
Cash and bank balances	341,564	66,324
Less:		
Deposits pledged for banking facilities	(241,869)	-
	99,695	66,324

Note :

The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.



QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

NOTES (In compliance with FRS 134)

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”). The interim financial report should be read in conjunction with the Company’s annual audited financial statements for the year ended 31 December 2016.

The accounting policies and methods of computation adopted by the Group in this report are consistent with those adopted in the annual audited financial statements for the year ended 31 December 2016.

R.K.M Powergen Private Limited (“RKM”), a 26% associate incorporated in India with its financial year ended in March, has its last financial statements audited up to 31 March 2016. In accounting for the Group's share of results in RKM for the period ended 31 March 2017 with its year end audit still ongoing, the Group relied on RKM's unaudited management accounts for the period ended 31 March 2017 which included the estimated depreciation charges of Units I & II of the Independent Power Plant (“IPP”) that had achieved Commercial Operation Date (“COD”) and the corresponding estimated interest costs from borrowings taken to build Units I & II, which could no longer be capitalized after COD.

Malaysian Financial Reporting Standards (MFRS) Framework

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS”) Framework.

The MFRS Framework is to be applied by all Entities other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (herein called ‘Transitioning Entities’).

On 2 September 2014, MASB announced that Transitioning Entities shall apply MFRS Framework for annual period beginning on or after 1 January 2017. However, on 8 September 2015, MASB announced that for all Transitioning Entities, the requirement to apply the MFRS Framework are effective for annual period beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group and the Company.



QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report on the financial statements for the year ended 31 December 2016 was not subject to any qualification.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Group are generally subject to cyclical changes of the general Malaysian economy.

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 amount reported in previous financial year that have a material effect in the current quarter.

6. DEBTS AND EQUITY SECURITIES

As at 31 March 2017, 14,018,300 ordinary shares were still retained as treasury shares in the Company. There were no purchase of share in the market during the current quarter ended 31 March 2017.

There were no new ordinary shares issued under the Employees' Share Option Scheme ("ESOS") for the current quarter ended 31 March 2017. As at 31 March 2017, a total of 4,102,000 new ordinary shares have been issued under the ESOS.

7. DIVIDENDS PAID DURING THE PERIOD

There were no dividends paid during the period under review.



8. SEGMENTAL INFORMATION

QUARTERLY AND YEAR-TO-DATE RESULTS:

Q1 2017 AND 3 MONTHS ENDED 31-MAR-17	Construction	Property	Power	Trading,	Eliminations	Total
	contracts			Manufacturing		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE :						
External customers	128,071	7,315	2,772	18,835	-	156,993
Inter-segment	-	288	-	5,494	(5,782)	-
Total revenue	128,071	7,603	2,772	24,329	(5,782)	156,993
RESULTS :						
Profit/(Loss) before tax	2,398	2,367	(25,938)	(3,991)	-	(25,164)
Income tax expenses	-	(644)	-	(328)	-	(972)
	2,398	1,723	(25,938)	(4,319)	-	(26,136)
Q1 2016 AND 3 MONTHS ENDED 31-MAR-16						
REVENUE :						
External customers	153,057	8,117	3,331	12,949	-	177,454
Inter-segment	377	288	-	4,142	(4,807)	-
Total revenue	153,434	8,405	3,331	17,091	(4,807)	177,454
RESULTS :						
Profit before tax	5,219	3,834	247	36	-	9,336
Income tax expense	(1,404)	(871)	-	(99)	-	(2,374)
	3,815	2,963	247	(63)	-	6,962

9. RELATED PARTIES TRANSACTIONS

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

	3 MONTHS ENDED 31-MAR-17 RM'000	3 MONTHS ENDED 31-MAR-16 RM'000
A Associates		
<i>Mayfair Ventures Sdn. Bhd.</i>		
Working capital advances	-	6,782
Management fees	(30)	(30)
Interest income	-	(750)
<i>PT Harmoni Energy Indonesia</i>		
Interest income	(629)	(591)

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The carrying amount of the property, plant and equipment is at cost less depreciation and impairment losses.

11. SUBSEQUENT EVENTS

There were no material events subsequent to the current quarter.



12. CHANGES IN COMPOSITION OF THE GROUP

On 17 February 2017, Mudajaya Corporation Berhad ("MCB") completed the disposal of 10,000 ordinary shares in Mudajaya RE Sdn. Bhd. (formerly known as MJC Plantations Sdn. Bhd.)("MRE") to Mudajaya Energy Sdn Bhd ("MESB"), a wholly-owned subsidiary of the Company for a total consideration of RM10,000. Subsequently, MRE became a wholly-owned subsidiary of MESB.

On 20 February 2017, MCB completed the disposal of 10,000 ordinary shares in Sinar Kamiri Sdn. Bhd. (formerly known as MGB Enterprise Sdn. Bhd.)("SKSB") to MRE for a total consideration of RM10,000. Subsequently, SKSB became a wholly-owned subsidiary of MRE.

On 31 March 2017, MCB acquired 100% of the total issued and paid-up share capital in Mudajaya City Corporation Sdn. Bhd., Mudajaya Holdings Sdn. Bhd. and Mudajaya Industries Sdn Bhd for a consideration of RM2.00 each. As a result of the acquisitions, those companies became indirect wholly-owned subsidiaries of the Company.

13. CONTINGENT LIABILITIES

There were no contingent liabilities as at the end of the current quarter.

14. REVIEW OF PERFORMANCE

QUARTERLY AND YEAR-TO-DATE ANALYSIS:

The Group reported revenue of RM157.0 million and loss before tax ("LBT") of RM25.2 million for the first quarter ended 31 March 2017 as compared to revenue of RM177.5 million and profit before tax ("PBT") of RM9.3 million for the previous corresponding quarter ended 31 March 2016 mainly due to the equity accounting of associate losses as elaborated below.

The performance of the respective business segments is as follows:-

Construction segment : This segment reported revenue and PBT of RM128.1 million and RM2.4 million respectively for the first quarter ended 31 March 2017 as compared to revenue of RM153.1 million and PBT of RM5.2 million for the previous corresponding quarter ended 31 March 2016. This was primarily due to near completion of a few of the Pengerang projects whilst the newly secured projects have yet to commence work in current quarter.

Property development segment : This segment reported revenue and PBT of RM7.3 million and RM2.4 million respectively for the first quarter ended 31 March 2017 as compared to revenue of RM8.1 million and PBT of RM3.8 million for the previous corresponding quarter ended 31 March 2016. It was mainly due to lower sales of properties in 10 Damansara and Batu Kawah projects.

Power segment : The segment reported revenue and LBT of RM2.8 million and RM25.9 million respectively for the first quarter ended 31 March 2017 as compared to revenue of RM3.3 million and PBT of RM0.2 million for the previous year corresponding quarter ended 31 March 2016. LBT was a result of the losses from RKM Powergen Pvt Ltd ("RKM") which undertakes the 4x360MW IPP in Chhattisgarh, India. RKM has only commenced power sales on 200MW in April 2017.

Others segment : This segment comprises primarily the manufacturing and trading divisions of the Group. This segment reported revenue and LBT of RM18.8 million and RM4.0 million respectively for the first quarter ended 31 March 2017 as compared to revenue of RM13.0 million and PBT of RM0.04 million for the previous corresponding quarter ended 31 March 2016. The improvement in revenue in the current quarter was mainly due to higher volume of manufacturing activities. Both divisions recorded a combined PBT of RM1.17 million but was negated by higher group funding costs.



15. COMPARISON WITH PRECEDING QUARTER'S REPORT

The Group reported a lower loss before tax ("LBT") of RM25.2 million in the current quarter as compared to LBT of RM243.8 million in the preceding quarter. The preceding quarter's losses were mainly due to impairment arising from dismissal of claims against CMC Machipex Sdn Bhd on Manjung 4 project and the commercial settlement with GE Power Services (Malaysia) Sdn Bhd and Alstom Power System on Tanjung Bin 4.

16. PROSPECTS

The construction sector in Malaysia remains vibrant with an on-going stream of mega-infrastructure projects to be undertaken by the Government and the private sector including LRT Line 3, Pan Borneo Sabah highway and other infrastructure projects. The Group is confident that it will benefit from some of these proposed projects. In addition, the Group's order book of RM2.4 billion as at end of March 2017 should sustain its operations for the medium term.

The investment in the IPP in India via 26% associate RKM continues to pose a very challenging prospect to the Group. Despite limited control and influence, the Group's management continues to make strenuous efforts with RKM to ensure that all 4 units of the IPP development come on stream to enhance the value of assets, in addition to providing recurring income to the Group. RKM notified the Company that its Unit I has commenced sales of 200 MW power in April 2017 and 150 MW power in May 2017 to several power distribution companies in the State of Uttar Pradesh pursuant to the Power Purchase Agreement dated 15 March 2016.

In terms of new investment, the Group will continue to pursue investments both locally and overseas to build up its assets with recurring income streams to cushion against the cyclical nature of the construction business. It will also expand on its precast concrete manufacturing businesses to capitalize on the increasing demand from various mega-infrastructure projects.

17. VARIANCE ON PROFIT FORECAST

Not applicable.

18. INCOME TAX EXPENSE

	CURRENT QUARTER 31-MAR-17 RM'000	3 MONTHS 31-MAR-17 RM'000
Current income tax:		
- Malaysian income tax	<u>(972)</u>	<u>(972)</u>

The Group's effective tax rate for the period to date was higher than the Malaysian statutory tax rate of 24% mainly due to share of losses of certain entities within the Group.

19. STATUS OF CORPORATE PROPOSALS

There were no outstanding corporate proposals as at the date of this report.

20. GROUP BORROWING

Details of the Group's borrowings as at 31 March 2017 were as follows:

	RM'000
(a) Long Term Borrowings	
Unsecured:	
- Islamic Medium Term Notes	120,000
- Euro Medium Term Notes	266,654
Secured:	
- Finance lease liabilities	423
- Term Loans	34,863
	<u>421,940</u>
(b) Short Term Borrowings	
Unsecured:	
- Revolving Credits	40,000
Secured:	
- Bank overdrafts	394
- Revolving Credits	123,000
- Finance lease liabilities	2,225
- Term Loans	225,947
	<u>391,566</u>

21. CHANGES IN MATERIAL LITIGATION

There was no material litigation against the Group as at the reporting date.

22. DIVIDEND

There were no dividends declared during the period ended 31 March 2017.



23. BASIC EARNINGS PER SHARE

The 'Basic loss per share' and 'Diluted loss per share' for the current period and the comparative period are calculated by dividing the loss for the period attributable to owners of the Company by the 'Weighted Average' and 'Adjusted Weighted Average' number of ordinary shares in issue during the period respectively, excluding treasury shares held by the Company.

	CURRENT QUARTER ENDED 31-MAR-17	3 MONTHS ENDED 31-MAR-17
(i) <u>Basic loss per share:-</u>		
(a) Loss for the period attributable to owners of the Company (RM'000)	<u>(26,759)</u>	<u>(26,759)</u>
(b) Weighted average number of ordinary shares ('000)	<u>540,020</u>	<u>540,020</u>
Basic loss per share (sen)	<u>(4.96)</u>	<u>(4.96)</u>
(ii) <u>Diluted loss per share:-</u>		
(a) Loss for the period attributable to owners of the Company (RM'000)	<u>(26,759)</u>	<u>(26,759)</u>
(b) Weighted average number of ordinary shares ('000)	<u>540,020</u>	<u>540,020</u>
Effect of dilution - ESOS ('000)	<u>8,161</u>	<u>8,161</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>548,181</u>	<u>548,181</u>
Diluted loss per share (sen)	<u>(4.88)</u>	<u>(4.88)</u>

24. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE

The breakdown of the retained earnings of the Group as at 31 March 2017 into realised and unrealised profits is presented as follow:-

	AS AT 31-MAR-17 RM'000
Total retained earnings of the Group:-	
- Realised	877,565
- Unrealised	3,772
Share of result of associate:-	
- Realised	(176,324)
Less: Consolidated adjustments	<u>(301,481)</u>
Retained profits as per consolidated financial statements	<u>403,532</u>