

Notes to the Interim Financial Report

A1 Corporate Information

The Company is a public limited company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

A2 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with applicable approved Malaysian Financial Reporting Standards ("MFRS") No. 134 "Interim Financial Reporting" and Chapter 9 Part K paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Securities Exchange").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2018. There was no qualification in the audited financial statements for the year ended 31 March 2018.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 March 2018. The transition from previous FRSs to the new MFRSs had no impact on the Group financial position, financial performance, cash flow and the notes to the financial statement.

A3 Seasonal or cyclical factors

The business operations of the Group were not affected by any significant seasonal or cyclical factors.

A4 Items affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current financial quarter.

A5 Change in estimates

There were no significant changes in the estimates of amounts reported in the interim periods of prior financial years that have a material effect in the current financial period.

A6 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, share held as treasury shares and resale of treasury shares for the current financial year to-date.

A7 Dividend paid

No dividends were paid for the current quarter under review.

A8 Segment Revenue and Segment Result by Business Segments

Segment information is presented in respect of the Group's business segment. All inter-segment transactions have been entered into in the normal course of business and have been established under terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of the inter-segment transactions are eliminated on consolidation.

Business Segments	Investment Holding RM'000	Construction RM'000	Property Investment RM'000	Maintenance, Facility Management and Services RM'000	Oil & Gas RM'000	Auto Service and Maintenance Workshop RM'000	Others RM'000	Elimination RM'000	Group RM'000
3 months ended 30 June 2018									
Revenue									
External sales	-	5,113	16	785	2,676	494	-	-	9,084
Inter-segment sales	-	-	44	57	-	24	-	(125)	-
	<u>-</u>	<u>5,113</u>	<u>60</u>	<u>842</u>	<u>2,676</u>	<u>518</u>	<u>-</u>	<u>(125)</u>	<u>9,084</u>
Segment Profit / (Loss)	(203)	(209)	1	(87)	662	(283)	(1)	31	(89)
Finance costs	-	(85)	-	(4)	(16)	-	-	-	(105)
Share of results of Associate	-	-	-	-	-	-	-	-	-
Profit / (Loss) before tax	<u>(203)</u>	<u>(294)</u>	<u>1</u>	<u>(91)</u>	<u>646</u>	<u>(283)</u>	<u>(1)</u>	<u>31</u>	<u>(194)</u>
Taxation	-	-	(4)	-	(8)	-	-	-	(12)
Deferred Taxation	-	-	-	-	-	-	-	-	-
Zakat	-	-	-	-	-	-	-	-	-
Profit / (Loss) after taxation	<u><u>(203)</u></u>	<u><u>(294)</u></u>	<u><u>(3)</u></u>	<u><u>(91)</u></u>	<u><u>638</u></u>	<u><u>(283)</u></u>	<u><u>(1)</u></u>	<u><u>31</u></u>	<u><u>(206)</u></u>

A8 Segment Revenue and Segment Result by Business Segments (cont'd)

Business Segments	Investment Holding RM'000	Construction RM'000	Property Investment RM'000	Maintenance, Facility Management and Services RM'000	Oil & Gas RM'000	Auto Service and Maintenance Workshop RM'000	Others RM'000	Elimination RM'000	Group RM'000
3 months ended 30 June 2017									
Revenue									
External sales	-	4,928	16	963	192	-	-	-	6,099
Inter-segment sales	-	-	44	77	-	-	-	(121)	-
	<u>-</u>	<u>4,928</u>	<u>60</u>	<u>1,040</u>	<u>192</u>	<u>-</u>	<u>-</u>	<u>(121)</u>	<u>6,099</u>
Segment Profit / (Loss)	(148)	(849)	8	(105)	(302)	-	(1)	2	(1,395)
Finance Costs	-	(124)	-	(4)	(17)	-	-	-	(145)
Share of results of Associate	-	(67)	-	-	-	-	-	-	(67)
Profit / (Loss) before tax	<u>(148)</u>	<u>(1,040)</u>	<u>8</u>	<u>(109)</u>	<u>(319)</u>	<u>-</u>	<u>(1)</u>	<u>2</u>	<u>(1,607)</u>
Taxation	-	-	(3)	2	-	-	-	-	(1)
Deferred Taxation	-	-	-	-	-	-	-	-	-
Zakat	-	-	-	-	-	-	-	-	-
Profit / (Loss) after taxation	<u><u>(148)</u></u>	<u><u>(1,040)</u></u>	<u><u>5</u></u>	<u><u>(107)</u></u>	<u><u>(319)</u></u>	<u><u>-</u></u>	<u><u>(1)</u></u>	<u><u>2</u></u>	<u><u>(1,608)</u></u>

A9 Valuation of property, plant and equipment and investment properties

The valuation of property, plant and equipment has been brought forward without amendment from the previous annual financial statements for the year ended 31 March 2018.

A10 Material subsequent events

There were no other material events subsequent to the end of the period under review, which are likely to affect the result of the Group's operation substantially.

A11 Changes in composition of the Group

There were no changes in the composition of the Group for the current period under review.

A12 Contingent liabilities or contingent assets

The Company has given corporate guarantees amounting to RM69.23 million (31/03/2018 : RM49.61 million) to licensed banks for banking and suppliers credit facilities granted to a subsidiary company. Consequently, the Company is contingently liable for the amount of banking facilities utilized by subsidiaries company amounting to RM20.71 million (31/03/2018 : RM14.24 million)

Additional information required by Bursa Malaysia Listing Requirements

B1 Review of performance

	INDIVIDUAL PERIOD (1st quarter)			CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER		CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE	
	30.06.2018 RM'000	30.06.2017 RM'000	Change %	30.06.2018 RM'000	30.06.2017 RM'000	Change %
Revenue	9,084	6,099	49%	9,084	6,099	49%
Operating Profit / (Loss)	(89)	(1,395)	-94%	(89)	(1,395)	-94%
Profit / (Loss) Before Interest and Tax	(89)	(1,462)	-94%	(89)	(1,462)	-94%
Profit / (Loss) Before Tax	(194)	(1,607)	-88%	(194)	(1,607)	-88%
Profit / (Loss) After Tax	(206)	(1,608)	-87%	(206)	(1,608)	-87%
Profit / (Loss) Attributable to Owners of the Company	(461)	(1,395)	-67%	(461)	(1,395)	-67%

Quarterly

For the current quarter under review, the Group recorded revenue of RM9.08 million and loss after tax of RM206,000 as compared to corresponding preceding year quarter revenue of RM6.10 million and loss after tax of RM1.61 million.

The revenue increased by 49% mainly due to the contribution by the new project ie, Loji Rawatan Air Pagoh. The progress of the project is on schedule. The losses was mitigate through effectiveness of the project and stringent administrative cost control.

B2 Comparison of the quarterly results to the results of the immediate preceding quarter

	CURRENT QUARTER ENDED 30.06.2018 RM'000	IMMEDIATE PRECEDING QUARTER ENDED 31.03.2018 RM'000	Change %
Revenue	9,084	6,388	42%
Operating Profit / (Loss)	(89)	(3,064)	97%
Profit / (Loss) Before Interest and Tax	(89)	(6,319)	99%
Profit / (Loss) Before Tax	(194)	(6,411)	97%
Profit / (Loss) After Tax	(206)	(6,169)	97%
Profit / (Loss) Attributable to Owners of the Company	(461)	(6,239)	93%

For the current quarter under review, the Group's revenue was RM9.08 million, an increase of 42% from the preceding quarter revenue of RM6.39 million while the loss after tax for the quarter stood at RM206,000 as compare to the preceding quarter loss of RM6.17 million.

The increase in revenue was mainly due to the contribution by the new project ie, Loji Rawatan Air Pagoh. The progress of the project is on schedule. The losses was mitigate through effectiveness of the project and stringent administrative cost control.

The preceding quarter losses were mainly due to insufficient revenue couple with the share of loss in associate of IJMP-MK Joint Venture of RM3.25 million, write off professional and consultation costs of RM874,000 for work carried out but not materialized and provision of trade receivable amounting to RM520,000.

B3 Prospects

The Group will continue with the existing core business and actively secure new contract in various states within Malaysia. Barring unforeseen circumstances, the Director are of the opinion that based on the remaining balance of order book the performance of the Group for forthcoming financial period is expected to be challenging.

B4 Profit forecast

Not applicable as no profit forecast was published.

B5 Profit Before Tax

Profit before tax is arrived at after charging / (crediting) :-

	Current Quarter 30-Jun-18 RM'000	Preceding Year Quarter 30-Jun-17 RM'000	Current YTD 30-Jun-18 RM'000	Preceding Year YTD 30-Jun-17 RM'000
Interest (Income)/ Loss	(33)	(100)	(33)	(100)
Interest Expenses	105	145	105	145
Depreciation Expenses	333	269	333	269
Foreign Exchange (Gain) / Loss	(2)	(7)	(2)	(7)

B6 Taxation

	Current Quarter 30-Jun-18 RM'000	Preceding Year Quarter 30-Jun-17 RM'000	Current YTD 30-Jun-18 RM'000	Preceding Year YTD 30-Jun-17 RM'000
- Prior Year Tax	0	(2)	0	(2)
- Current Year Tax	12	3	12	3
- Deferred Tax	0	0	0	0
	12	1	12	1

Provision for tax was made in the current quarter on business and non business income derived mainly from operating income, rental, interest on repo and fixed deposit.

B7 Unquoted investments and properties

There was no sale of unquoted investments or properties for the current quarter and financial year to date.

B8 Purchase or disposal of quoted investments

There was no purchase or disposal of quoted investments for the current quarter.

B9 Borrowing

The Group borrowings are as follows: -

	As at 30-Jun-18 RM'000	As at 30-Jun-17 RM'000
<u>Short Term Borrowing (Secured)</u>		
- Bank Overdraft	4,458	4,224
- Hire Purchase	360	344
- Term Loan	64	63
<u>Long Term Borrowing (Secured)</u>		
- Hire Purchase	718	857
- Term Loan	1,135	1,177
Total Borrowing	6,735	6,665

B10 Material litigation

There is no material litigation for the financial year as at 30 June 2018.

B11 Dividend

No dividends were proposed or declared for the current quarter and financial year to date. (2017 : Nil).

B12 Earnings per share

The basic losses per share for the financial year has been calculated based on the consolidated losses after taxation attributable to the owner of the parent of RM461,000 and on the number of ordinary shares issue of 67,000,000.

By Order of the Board
Yew @ Yeoh Siew Yen
MAICSA 7048094
Company Secretary
Shah Alam
28 August 2018