

**MTD ACPI ENGINEERING BERHAD** (Company No: 258836- V)  
(Incorporated in Malaysia)

Quarterly report on consolidated results for the quarter ended 30 September 2011

The figures have not been audited

The Directors are pleased to announce the following:

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Individual quarter ended		Cumulative quarter ended	
		30/09/2011	30/09/2010	30/09/2011	30/09/2010
		RM'000	RM'000	RM'000	RM'000
Revenue	9	80,846	106,226	175,529	301,625
Cost of sales		(73,477)	(98,915)	(160,132)	(286,608)
<b>Gross profit</b>		<u>7,369</u>	<u>7,311</u>	<u>15,397</u>	<u>15,017</u>
<b>Other items of income</b>					
Other income		1,200	2,207	2,629	3,009
<b>Other items of expense</b>					
Selling and marketing expenses		(1,860)	(1,454)	(3,764)	(3,187)
Administrative and other expenses		(13,595)	(9,025)	(22,969)	(23,622)
Finance costs		(1,496)	(1,673)	(2,699)	(3,061)
Share of results of associates		153	630	411	880
Share of results of joint venture		1,118	-	2,217	-
<b>Loss before tax</b>		<u>(7,111)</u>	<u>(2,004)</u>	<u>(8,778)</u>	<u>(10,964)</u>
Income tax expense	18	(304)	(872)	(998)	(1,665)
<b>Loss net of tax</b>		<u>(7,415)</u>	<u>(2,876)</u>	<u>(9,776)</u>	<u>(12,629)</u>
<b>Other comprehensive income/(loss) for the period, net of tax</b>					
Foreign currency translation		(3,196)	(2,007)	685	128
<b>Total comprehensive income/(loss) for the period</b>		<u>(10,611)</u>	<u>(4,883)</u>	<u>(9,091)</u>	<u>(12,501)</u>
<b>Loss attributable to:</b>					
Owners of the parent		(7,616)	(3,569)	(10,197)	(12,576)
Non-controlling interest		201	693	421	(53)
		<u>(7,415)</u>	<u>(2,876)</u>	<u>(9,776)</u>	<u>(12,629)</u>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		(10,812)	(5,576)	(9,512)	(12,448)
Non-controlling interest		201	693	421	(53)
		<u>(10,611)</u>	<u>(4,883)</u>	<u>(9,091)</u>	<u>(12,501)</u>
<b>Loss per share attributable to owners of the parent (sen per share)</b>					
Basic	26	<u>(3.30)</u>	<u>(1.55)</u>	<u>(4.41)</u>	<u>(5.44)</u>

Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2011.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at 30/09/2011 RM'000	As at 31/03/2011 RM'000 Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	120,389	122,993
Investment properties		274	278
Intangible assets		63,091	63,858
Investment in associates		18,917	18,383
Interest in joint venture		6,423	4,206
Other investments		490	412
Trade receivables		6,592	7,488
Deferred tax assets		4,537	4,475
		<u>220,713</u>	<u>222,093</u>
<b>Current assets</b>			
Inventories		52,721	49,582
Trade and other receivables		264,874	314,126
Other current assets		29,793	22,955
Income tax recoverable		5,513	5,100
Cash and bank balances		24,739	30,859
		<u>377,640</u>	<u>422,622</u>
Non-current asset held for sale		-	225
		<u>377,640</u>	<u>422,847</u>
<b>Total assets</b>		<u>598,353</u>	<u>644,940</u>
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Defined benefit plan		141	141
Loans and borrowings	22	79,377	72,817
Trade and other payables		224,256	210,823
Gross amount due to customers for contract		58,223	114,355
Provisions		4,030	5,164
Income tax payable		128	140
		<u>366,155</u>	<u>403,440</u>
<b>Net current assets</b>		<u>11,485</u>	<u>19,407</u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	Note	As at 30/09/2011 RM'000	As at 31/03/2011 RM'000 Audited
<b>Non-current liabilities</b>			
Defined benefit plan		12,301	12,258
Loans and borrowings	22	719	931
Deferred tax liabilities		495	495
Trade payables		35,312	35,391
		<u>48,827</u>	<u>49,075</u>
<b>Total liabilities</b>		<u>414,982</u>	<u>452,515</u>
<b>Net Assets</b>		<u>183,371</u>	<u>192,425</u>
<b>Equity attributable to owners of the parent</b>			
Share capital		231,633	231,633
Treasury shares		(1,905)	(1,905)
Reserves		(55,493)	(46,018)
		<u>174,235</u>	<u>183,710</u>
Non-controlling interest		9,136	8,715
<b>Total equity</b>		<u>183,371</u>	<u>192,425</u>
<b>Total equity and liabilities</b>		<u>598,353</u>	<u>644,940</u>
Net Assets Per Share Attributable To Ordinary Equity Holders of the Parent (RM)		0.79	0.83

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2011.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to Equity Holders of the Parent										Non-controlling Interest	Total Equity
	Non-Distributable					Distributable						
	Share Capital RM'000	Share Premium RM'000	Capital Redemption Reserve RM'000	Revaluation Reserve RM'000	Exchange Translation Reserve RM'000	Other Reserve RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Total RM'000			
<b>2012</b>												
At 1 April 2011	231,633	108,138	90	-	(4,188)	29,210	(1,905)	(179,268)	183,710	8,715	192,425	
Total comprehensive income	-	-	-	-	685	-	-	(10,197)	(9,512)	421	(9,091)	
Transactions with owners												
Share of associate's capital reserve	-	-	-	-	-	37	-	-	37	-	37	
Subsidiary's bonus issue capitalized from retained profits	-	-	-	-	-	-	-	-	-	-	-	
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	-	
Total transactions with owners	-	-	-	-	-	37	-	-	37	-	37	
<b>At 30 September 2011</b>	<b>231,633</b>	<b>108,138</b>	<b>90</b>	<b>-</b>	<b>(3,503)</b>	<b>29,247</b>	<b>(1,905)</b>	<b>(189,465)</b>	<b>174,235</b>	<b>9,136</b>	<b>183,371</b>	

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital		Attributable to Equity Holders of the Parent				Distributable			Minority Interest	Total Equity
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Capital	Revaluation Reserve RM'000	Exchange Translation Reserve RM'000	Other Reserve RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Total		
<b>2011</b>											
<b>At 1 April 2010</b>	231,633	108,138	90	-	(3,386)	115	(1,905)	(140,979)	193,706	8,332	202,038
- as previously stated	-	-	-	-	-	-	-	1,783	1,783	-	1,783
- effect of adopting FRS 139	231,633	108,138	90	-	(3,386)	115	(1,905)	(139,196)	195,489	8,332	203,821
<b>At 1 April 2010, as restated</b>											
Share of associate's capital reserve	-	-	-	-	-	103	-	-	103	-	103
Loss for the year	-	-	-	-	-	-	-	(12,576)	(12,576)	(53)	(12,629)
Other comprehensive income for the period	-	-	-	-	128	-	-	-	128	-	128
Total comprehensive income/(loss) for the period	-	-	-	-	128	-	-	(12,576)	(12,448)	(53)	(12,501)
<b>At 30 September 2010</b>	231,633	108,138	90	-	(3,258)	218	(1,905)	(151,772)	183,144	8,279	191,423

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2011.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>6 months to 30/09/2011 RM'000</b>	<b>6 months to 30/09/2010 RM'000</b>
Net cash flow used in operating activities	(12,470)	(7,815)
Net cash flow used in investing activities	-	-
Net cash flow generated from financing activities	7,007	14,114
Net (decrease)/increase in cash & cash equivalents	<u>(5,463)</u>	<u>6,299</u>
Cash and cash equivalents at beginning of financial period	<u>25,014</u>	<u>48,567</u>
Cash and cash equivalents at end of financial period	<u>19,551</u>	<u>54,866</u>

Cash and cash equivalent at the end of the financial period comprised the following:

	<b>As at 30/09/2011 RM'000</b>	<b>As at 30/09/2010 RM'000</b>
Deposits placed with licensed banks	4,370	36,295
Cash and bank balances	20,369	34,633
Total cash and bank balances	<u>24,739</u>	<u>70,928</u>
Bank overdrafts	(5,188)	(16,062)
Cash and cash equivalents at end of financial period	<u>19,551</u>	<u>54,866</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2011.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**1. Basis of Preparation**

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirement.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2011.

**2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2011.

**3. Qualification of Financial Statement**

The auditors' report on the financial statements for the year ended 31 March 2011 was not qualified.

**4. Seasonal or Cyclical Factors**

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

**5. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current financial quarter ended 30 September 2011.

**6. Changes In Estimates**

There was no material change in estimates reported in the current financial period under review.

**7. Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares, repurchase and resale of treasury shares for the current financial quarter under review.

**(a) Treasury Shares**

During the financial quarter, the Company did not repurchase any of its issued ordinary shares from the open market.

As at 30 September 2011, the total shares bought back, all of which are held as treasury shares, are 637,000 shares and none of them were sold or cancelled during the financial quarter.

**8. Dividend Paid**

There was no dividend paid or declared for the financial quarter under review.

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**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**9. Segmental Reporting**

**By Activities**

Cumulative Quarter  
30 September 2011

	Construction RM'000	Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
<b>Segment Revenue</b>				
Revenue from external customers	111,090	64,439	-	175,259
Inter-segment revenue	-	29,221	(29,221)	-
<b>Total revenue</b>	<b>111,090</b>	<b>93,660</b>	<b>(29,221)</b>	<b>175,529</b>
<b>Segment results</b>	<b>(8,544)</b>	<b>(6,148)</b>	<b>3,356</b>	<b>(11,336)</b>
Other income				2,629
Finance costs				(2,699)
Share of results of associates				411
Share of results of joint venture				2,217
Income tax expense				(998)
<b>Loss for the period</b>				<b>(9,776)</b>

Cumulative Quarter  
30 September 2010

	Construction RM'000	Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
<b>Segment Revenue</b>				
Revenue from external customers	223,150	78,475	-	301,625
Inter-segment revenue	-	34,126	(34,126)	-
<b>Total revenue</b>	<b>223,150</b>	<b>112,601</b>	<b>(34,126)</b>	<b>301,625</b>
<b>Segment results</b>	<b>(11,146)</b>	<b>(3,048)</b>	<b>2,402</b>	<b>(11,792)</b>
Other income				3,009
Finance costs				(3,061)
Share of results of associates				880
Share of results of joint venture				-
Income tax expense				(1,665)
<b>Loss for the period</b>				<b>(12,629)</b>

**10. Valuation of Property, Plant and Equipment**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 March 2011.



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**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**11. Subsequent Events**

- (a) Joint venture and shareholders' agreement between MTD Capital Bhd ("MTD Capital"), Metacorp Berhad ("Metacorp") and MTDACPI ("the Company")

On 10 October 2011, the Company had entered into a Joint Venture and Shareholders' Agreement ("Agreement") with its holding company, MTD Capital and a subsidiary of its holding company, Metacorp for the purpose of incorporating a new limited liability company ("JV Company") in Saudi Arabia under a name to be mutually agreed and approved by the relevant authorities. The Parties intend to utilize the JV Company to undertake engineering, construction, building and infrastructure projects, trading and real estate in Saudi Arabia subject to the terms and conditions as stipulated in the Agreement.

**12. Changes in the Composition of the Group**

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

**13. Changes in Contingent Liabilities and Contingent Assets**

- (a) There was no change since 31 March 2011 which comprises of:

	<b>RM'000</b>
Corporate Guarantee given to financial institutions for facilities granted to an associate company	<u>8,840</u>

**14. Review of Performance of the Group**

For the current quarter under review, the Group recorded a lower revenue of RM80.8 million as compared to revenue of RM106.2 million in the corresponding quarter. The Group recorded a higher pre-tax loss of RM7.1 million against a pre-tax loss of RM2.0 million in the corresponding quarter.

The lower revenue was mainly attributable to lower progress billings for construction works and slow take-up rates for manufacturing products. The higher loss was caused by higher cost incurred for the construction activities.

**15. Variation of Results Against Preceding Quarter**

The Group recorded lower revenue of RM80.8 million in the current quarter as compared to RM94.7 million in the immediate preceding quarter, representing quarter-on-quarter decline of 15%. The decrease was mainly attributable to lower progress billings in the Construction Division.

The Group recorded a higher pre-tax loss of RM7.1 million as compared to a pre-tax loss of RM1.7 million in the immediate preceding quarter mainly due to lower contribution from the Construction and Manufacturing Divisions.

**16. Current Year Prospects**

The outlook for current financial year continue to remain challenging with the decline in the book order in the Construction Division and the slow take-up rate by our clients in the Manufacturing Division. In view of this challenges, the Group will continue to solicit for new local jobs and in the overseas market.

**17. Profit Forecast or Profit Guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and forecast profit after tax and non-controlling interest and for the shortfall in profit guarantee are not applicable.

**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**18. Income Tax Expense**

	Individual quarter ended		Cumulative quarter ended	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
Current period's provision	(304)	(872)	(998)	(1,665)

The effective tax rate for the current quarter was higher than the statutory tax rate principally due to certain expenses which are not deductible for tax purposes.

**19. Unquoted Investment and Properties**

There was no sale of unquoted investments or properties during the current quarter under review.

**20. Quoted Securities**

(a) There was no purchase or disposal of quoted securities for the current quarter ended 30 September 2011.

(b) As at 30 September 2011, value of investment in quoted shares:

	As at 30/09/2011 RM'000	As at 30/09/2010 RM'000
(i) At Book Value	201	108
(ii) At Market Value	201	108

**21. Status of Corporate Proposals Announced**

There were no corporate proposals announced during the current quarter under review.

**22. Borrowings and Debt Securities**

Total Group borrowings as at 30 September 2011 are as follows:-

	As at 30/09/2011 RM'000	As at 30/09/2010 RM'000
<b>Short term borrowings</b>		
Secured	69,996	24,647
Unsecured	9,381	50,345
	<u>79,377</u>	<u>74,992</u>
<b>Long term borrowings</b>		
Secured	719	8,481
	<u>80,096</u>	<u>83,473</u>

**23. Material Litigation**

There were no significant changes in material litigation since the immediate preceding quarter.

**24. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at the date of this report.

**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**25. Dividend Payable**

No interim dividend has been proposed for the current quarter under review.

**26. Loss per Share**

a) Basic

Basic loss per share is calculated by dividing the profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period, excluding treasury shares held by the Company.

	Individual quarter ended		Cumulative quarter ended	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
Loss net of tax attributable to owners of the parent	(7,616)	(3,569)	(10,197)	(12,576)
	Individual quarter ended		Cumulative quarter ended	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	230,996	230,996	230,996	230,996
	Individual quarter ended		Cumulative quarter ended	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
Basic loss per share (sen)	(3.30)	(1.55)	(4.41)	(5.44)

**27. Disclosure of Realised and Unrealised Accumulated Losses**

	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000
Total accumulated losses of the Company and the subsidiaries:		
Realised	(191,538)	(182,093)
Unrealised	11	(912)
	(191,527)	(183,005)
Total share of retained profits from associate		
Realised	5,960	5,816
Unrealised	(739)	(739)
Total share of retained profits from joint venture		
Realised	2,217	1,099
	(184,089)	(176,829)
Less : Consolidated adjustments	(5,376)	(5,020)
Total accumulated losses as per statement of financial position	(189,465)	(181,849)

Batu Caves, Selangor  
25 November 2011

By Order Of The Board  
CHAN BEE KUAN (MAICSA 7003851)  
LEE POH YEAN (MAICSA 7015043)  
Company Secretaries

