

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

Quarterly report on consolidated results for the quarter ended 31 March 2012
The figures have not been audited

The Directors are pleased to announce the following:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual quarter ended 31/03/2012 RM'000	31/03/2011 RM'000	Cumulative quarter ended 31/03/2012 RM'000	31/03/2011 RM'000
Revenue	9	91,336	105,982	336,327	541,530
Cost of sales		(94,542)	(106,062)	(313,691)	(515,661)
Gross (loss)/profit		<u>(3,206)</u>	<u>(80)</u>	<u>22,636</u>	<u>25,869</u>
Other items of income					
Other income		7,658	9,029	10,872	10,624
Other items of expense					
Selling and marketing expenses		(2,401)	(383)	(8,270)	(5,045)
Administrative and other expenses		(18,073)	(14,895)	(50,673)	(41,751)
Finance costs		(1,353)	(1,209)	(5,161)	(6,068)
Share of results of associates		380	(226)	378	391
Share of results of joint venture		2,152	1,640	5,914	1,640
Loss before tax	18	<u>(14,843)</u>	<u>(6,124)</u>	<u>(24,304)</u>	<u>(14,340)</u>
Income tax expense	19	(1,299)	3,040	(2,720)	(301)
Loss net of tax		<u>(16,142)</u>	<u>(3,084)</u>	<u>(27,024)</u>	<u>(14,641)</u>
Other comprehensive income/(loss) for the period, net of tax					
Foreign currency translation		(554)	20	5,173	(802)
Total comprehensive loss for the period/year		<u>(16,696)</u>	<u>(3,064)</u>	<u>(21,851)</u>	<u>(15,443)</u>
Loss attributable to:					
Owners of the parent		(18,770)	(3,154)	(29,971)	(15,024)
Non-controlling interest		2,628	70	2,947	383
		<u>(16,142)</u>	<u>(3,084)</u>	<u>(27,024)</u>	<u>(14,641)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the parent		(19,324)	(3,134)	(24,798)	(15,826)
Non-controlling interest		2,628	70	2,947	383
		<u>(16,696)</u>	<u>(3,064)</u>	<u>(21,851)</u>	<u>(15,443)</u>
Loss per share attributable to owners of the parent (sen per share)					
Basic	25	<u>(8.13)</u>	<u>(1.37)</u>	<u>(12.97)</u>	<u>(6.50)</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 31/03/2012 RM'000	As at 31/03/2011 RM'000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	10	101,736	122,993
Investment properties		-	278
Intangible assets		62,878	63,858
Investment in associates		18,895	18,383
Interest in joint venture		11,127	4,206
Other investments		456	412
Trade receivables		1,817	7,488
Deferred tax assets		4,493	4,475
		<u>201,402</u>	<u>222,093</u>
Current assets			
Inventories		53,344	49,582
Trade and other receivables		148,176	314,126
Other current assets		23,869	22,955
Income tax recoverable		4,255	5,100
Cash and bank balances		41,994	30,859
		<u>271,638</u>	<u>422,622</u>
Non-current asset held for sale		10,623	225
		<u>282,261</u>	<u>422,847</u>
Total assets		<u>483,663</u>	<u>644,940</u>
Equity and liabilities			
Current liabilities			
Defined benefit plan		344	141
Loans and borrowings	22	75,718	72,817
Trade and other payables		162,771	210,823
Gross amount due to customers for contract		22,314	114,355
Provisions		3,406	5,164
Income tax payable		148	140
		<u>264,701</u>	<u>403,440</u>
Net current assets		<u>17,560</u>	<u>19,407</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Note	As at 31/03/2012 RM'000	As at 31/03/2011 RM'000 Audited
Non-current liabilities			
Defined benefit plan		12,152	12,258
Loans and borrowings	22	1,104	931
Deferred tax liabilities		230	495
Trade payables		36,585	35,391
		<u>50,071</u>	<u>49,075</u>
Total liabilities		<u>314,772</u>	<u>452,515</u>
Net Assets		<u>168,891</u>	<u>192,425</u>
Equity attributable to owners of the parent			
Share capital		231,633	231,633
Treasury shares		(1,905)	(1,905)
Reserves		(72,499)	(46,018)
		<u>157,229</u>	<u>183,710</u>
Non-controlling interest		11,662	8,715
Total equity		<u>168,891</u>	<u>192,425</u>
Total equity and liabilities		<u>483,663</u>	<u>644,940</u>
Net Assets Per Share Attributable To Ordinary Equity Holders of the Parent (RM)		0.73	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	Share Premium	Share Redemption Reserve	Revaluation Reserve	Exchange Translation Reserve	Other Reserve	Treasury Shares	Accumulated Losses	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2012												
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	-	-	-	-	5,173	-	-	(29,971)	(24,798)	2,947	(21,851)	
Transactions with owners												
Share of associate's capital reserve	-	-	-	-	-	49	-	-	49	-	49	
Subsidiary's bonus issue capitalized from retained profits	-	-	-	-	-	-	-	-	-	-	-	
Dividends on ordinary shares	-	-	-	-	-	-	-	(1,732)	(1,732)	-	(1,732)	
Total transactions with owners	-	-	-	-	-	49	-	-	(1,683)	-	(1,683)	
At 31 March 2012	231,633	108,138	90	-	985	29,259	(1,905)	(210,971)	157,229	11,662	168,891	

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent						Non-controlling Interest	Total Equity			
	Share Capital	Share Premium	Share Redemption Reserve	Revaluation Reserve	Exchange Translation Reserve	Other Reserve			Treasury Shares	Distributable	
2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2010	231,633	108,138	90	-	(3,386)	4,115	(1,905)	(144,979)	193,706	8,332	202,038
- effect of adopting FRS 139	-	-	-	-	-	-	-	7,467	7,467	-	7,467
Total comprehensive income	-	-	-	-	(802)	-	-	(15,024)	(15,826)	383	(15,443)
At 1 April 2010, as restated	231,633	108,138	90	-	(4,188)	4,115	(1,905)	(152,536)	185,347	8,715	194,062
Transactions with owners	-	-	-	-	-	-	-	-	-	-	-
Share of associate's capital reserve	-	-	-	-	-	-	-	-	-	-	-
Subsidiary's bonus issue capitalized from retained profits	-	-	-	-	-	95	-	-	95	-	95
Dividends on ordinary shares	-	-	-	-	-	25,000	-	(25,000)	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	(1,732)	(1,732)	-	(1,732)
At 31 March 2011	231,633	108,138	90	-	(4,188)	29,210	(1,905)	(179,268)	183,710	8,715	192,425

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 STATEMENT OF CASH FLOWS (CONT'D)

	12 months to 31/03/2012 RM'000	12 months to 31/03/2011 RM'000
Operating activities		
Loss before tax	(24,304)	(14,340)
Adjustments for:		
Interest income	(314)	(611)
Impairment losses on non-financial assets	2,817	2,593
Net impairment losses on financial assets	4,552	2,594
Depreciation of property, plant and equipment	9,551	10,401
Depreciation of investment properties	278	17
Property, plant and equipment written off	2,980	397
Loss/(Gain) on disposal of property, plant and equipment	2,055	(3,202)
Loss/(Gain) on disposal of investment property	-	(54)
Provision for penalties	34,799	17,567
Interest expense	5,161	6,068
Unrealised foreign exchange (gain)/loss	-	(1,195)
Increase in liabilities for retirement benefit obligations	160	1,431
Share of results of associates	378	(391)
Share of results of joint venture	5,914	1,640
Other Non-cash items	(2,550)	(211)
Operating cash flows before changes in working capital	<u>41,477</u>	<u>19,424</u>
Changes in working capital		
Net changes in current assets	154,880	(64,044)
Net changes in current liabilities	(168,278)	25,881
Cash flows generated from/(used in) operations	<u>28,079</u>	<u>(18,739)</u>
Retirement benefit paid	(63)	(631)
Tax paid	(2,650)	(7,244)
Net cash flows generated from/(used in) operating activities	<u>25,366</u>	<u>(26,614)</u>
Investing activities		
Interest received	314	611
Purchase of property, plant and equipment	(15,298)	(4,341)
Proceeds from disposal of property, plant and equipment	5,579	12,325
Proceed from disposal of investment property	-	179
Additional investment in a subsidiary	-	(9,800)
Interest in a joint venture	(1,007)	(2,566)
Net cash flows used in investing activities	<u>(10,412)</u>	<u>(3,592)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	12 months to 31/03/2012 RM'000	12 months to 31/03/2011 RM'000
Financing activities		
Dividends paid on ordinary shares	(1,732)	(1,732)
Interest paid	(5,161)	(6,326)
Net proceeds/(repayments) of hire purchase and finance lease liabilities	-	719
Net proceeds/(repayments) of loans and borrowings	3,969	13,863
Net cash flows (used in)/generated from financing activities	<u>(2,924)</u>	<u>6,524</u>
Net increase/(decrease) in cash and cash equivalents	12,030	(23,682)
Effects of exchange rate changes on cash and cash equivalents	-	129
Cash and cash equivalent at beginning of year	25,014	48,567
Cash and cash equivalents at end of year	<u>37,044</u>	<u>25,014</u>

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

	As at 31/03/2012 RM'000	As at 31/03/2011 RM'000
Deposits placed with licensed banks	6,834	14,444
Cash and bank balances	35,160	16,415
Total cash and bank balances	<u>41,994</u>	<u>30,859</u>
Bank overdrafts	(4,950)	(5,845)
Cash and cash equivalents at end of financial period	<u>37,044</u>	<u>25,014</u>

The Condensed Consolidated Statement Of Cash Flows 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 year ended 31 March 2012.

6. Changes In Estimates

There was no material change in estimates reported in the current financial quarter 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 31 March 2012, 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

The final dividend of 1 sen per share less 25% income tax on 231,632,798 ordinary shares less 637,000 treasury shares amounting to RM1,732,469 in respect of the financial year ended 31 March 2011 was paid on 27 October 2011.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

9. Segmental Reporting

By Activities

Cumulative Quarter
31 March 2012

	Construction RM'000	Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue				
Revenue from external customers	231,933	104,394	-	336,327
Inter-segment revenue	-	68,071	(68,071)	-
Total revenue	231,933	172,465	(68,071)	336,327
Segment results	(39,361)	(14,491)	17,545	(36,307)
Other income				10,872
Finance costs				(5,161)
Share of results of associates				378
Share of results of joint venture				5,914
Income tax expense				(2,720)
Loss for the year				(27,024)

Cumulative Quarter
31 March 2011

	Construction RM'000	Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue				
Revenue from external customers	390,611	150,919	-	541,530
Inter-segment revenue	-	(66,431)	(66,431)	-
Total revenue	390,611	217,350	(66,431)	541,530
Segment results	(23,100)	(6,868)	9,041	(20,927)
Other income				10,624
Finance costs				(6,068)
Share of results of associates				391
Share of results of joint venture				1,640
Income tax expense				(301)
Loss for the year				(14,641)

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.

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

11. Subsequent Events

On 21 May 2012, the Company announced that its wholly-owned subsidiary, MTD Construction Sdn Bhd had on 18 May 2012 accepted the term and conditions of the contract as stipulated in the letter of acceptance from Mass Rapid Transit Corporation Sdn Bhd, in relation to Package V7: Construction and Completion of Viaduct Guideway and Other Associated Works from Bandar Tun Hussein Onn to Taman Mesra for Projek Mass Rapid Transit Lembah Klang: Jajaran Sungai Buloh – Kajang.

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:

Corporate Guarantee given to financial institutions for facilities granted to an associate company

RM'000

8,840

14. Review of Performance of the Group

For the current quarter under review, the Group recorded revenue of RM91.3 million and pre-tax loss of RM14.8 million, as compared to revenue of RM105.9 million and pre-tax loss of RM6.1 million in the previous corresponding quarter. This represents a revenue decline of 13.9 % and increase pre-tax losses quarter on quarter.

The lower revenue and higher pre-tax loss were attributable to reduction of project billings on hand, impairment on assets divested and inventories and provisional penalties imposed on existing jobs on the last quarter.

15. Variation of Results Against Preceding Quarter

The Group recorded revenue of RM91.3 million and pre-tax loss of RM14.8 million in the current quarter as compared to revenue of RM69.5 million and pre-tax loss of RM0.7 million in the immediate preceding quarter. This represents a revenue increase of 31.5% but pre-tax loss has increased compared to the immediate preceding quarter.

The higher revenue was attributable mainly due higher contribution from Construction Division. The higher pre-tax losses were mainly attributable to reduction of project billings on hand, impairment on assets divested and inventories and provisional penalties imposed on existing jobs on the last quarter.

16. Prospects For The Financial Year Ending 31 March 2013

The Group performance remained challenging in the near term as operating costs on average remained on an upward trajectory despite management on-going efforts to rationalize existing operations. These factors in return would have an impact on the company on-going bids for infrastructure projects on the domestic and overseas markets.

The Group therefore expects a modest improvement in the current year driven mainly by new domestic and overseas contracts awarded recently by MRT Corporation on the Sungei Buloh Kajang MRT and infrastructure projects in Abu Dhabi respectively.

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

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.

18. Loss Before Tax

The following items have been included in arriving at loss before tax:

	Individual quarter ended		Cumulative quarter ended	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	3,010	2,748	9,551	10,401
Interest income	(144)	(41)	(314)	(611)
Gain)/Loss on disposal of property, plant and equipment	(588)	(2,983)	2,055	(3,202)
Impairment losses on assets	2,817	2,593	2,817	2,593
Provision for penalties	34,799	17,567	34,799	17,567
Provision for doubtful debts	6,268	666	9,398	5,319
Bad debts written back	(1,903)	219	(4,875)	(2,725)

19. Income Tax Expense

	Individual quarter ended		Cumulative quarter ended	
	31/03/2012	31/03/2011	31/03/2011	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Current period's provision	(1,299)	3,040	(2,720)	(301)

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.

20. Unquoted Investment and Properties

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

21. Status of Corporate Proposals Announced

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

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

22. Borrowings and Debt Securities

Total Group borrowings as at 31 March are as follows:-

	As at 31/03/2012 RM'000	As at 31/03/2011 RM'000
Short term borrowings		
Secured	71,257	63,422
Unsecured	4,461	9,395
	<u>75,718</u>	<u>72,817</u>
Long term borrowings		
Secured	1,104	931
	<u>76,822</u>	<u>73,748</u>

23. Material Litigation

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

24. Dividend Payable

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

25. 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	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit net of tax attributable to owners of the parent	<u>(18,770)</u>	<u>(3,154)</u>	<u>(29,971)</u>	<u>(15,024)</u>
	Individual quarter ended		Cumulative quarter ended	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	<u>230,996</u>	<u>230,996</u>	<u>230,996</u>	<u>230,996</u>
	Individual quarter ended		Cumulative quarter ended	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Basic (loss)/earnings per share (sen)	<u>(8.13)</u>	<u>(1.37)</u>	<u>(12.97)</u>	<u>(6.50)</u>

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

26. Disclosure of Realised and Unrealised Accumulated Losses

	As at 31/03/2012 RM'000	As at 31/12/2011 RM'000
Total accumulated losses of the Company and the subsidiaries:		
Realised	(189,384)	(194,229)
Unrealised	857	304
	<u>(188,527)</u>	<u>(193,925)</u>
Total share of retained profits from associate		
Realised	5,957	5,566
Unrealised	(739)	(739)
Total share of retained profits from joint venture		
Realised	5,914	3,762
	<u>(177,395)</u>	<u>(185,336)</u>
Less : Consolidated adjustments	(33,576)	(6,864)
Total accumulated losses as per statement of financial position	<u>(210,971)</u>	<u>(192,200)</u>

Batu Caves, Selangor
25 May 2012

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