

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

Quarterly report on consolidated results for the quarter ended 30 June 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		Cumulative quarter ended	
		30/06/2012	30/06/2011	30/06/2012	30/06/2011
		RM'000	RM'000	RM'000	RM'000
Revenue	9	46,084	94,683	46,084	94,683
Cost of sales		(42,496)	(86,655)	(42,496)	(86,655)
Gross profit		<u>3,588</u>	<u>8,028</u>	<u>3,588</u>	<u>8,028</u>
Other items of income					
Other income		608	1,429	608	1,429
Other items of expense					
Selling and marketing expenses		(2,045)	(1,904)	(2,045)	(1,904)
Administrative and other expenses		(9,767)	(9,374)	(9,767)	(9,374)
Finance costs		(1,007)	(1,203)	(1,007)	(1,203)
Share of results of associates		(37)	258	(37)	258
Share of results of joint venture		2,000	1,099	2,000	1,099
Loss before tax		<u>(6,660)</u>	<u>(1,667)</u>	<u>(6,660)</u>	<u>(1,667)</u>
Income tax expense	19	(183)	(694)	(183)	(694)
Loss net of tax		<u>(6,843)</u>	<u>(2,361)</u>	<u>(6,843)</u>	<u>(2,361)</u>
Other comprehensive income for the period, net of tax					
Foreign currency translation		2,678	3,881	2,678	3,881
Total comprehensive income for the period		<u>(4,165)</u>	<u>1,520</u>	<u>(4,165)</u>	<u>1,520</u>
Loss attributable to:					
Owners of the parent		(6,888)	(2,581)	(6,888)	(2,581)
Non-controlling interest		45	220	45	220
		<u>(6,843)</u>	<u>(2,361)</u>	<u>(6,843)</u>	<u>(2,361)</u>
Total comprehensive income attributable to:					
Owners of the parent		(4,210)	1,300	(4,210)	1,300
Non-controlling interest		45	220	45	220
		<u>(4,165)</u>	<u>1,520</u>	<u>(4,165)</u>	<u>1,520</u>
Loss per share attributable to owners of the parent (sen per share)					
Basic	25	<u>(2.98)</u>	<u>(1.12)</u>	<u>(2.98)</u>	<u>(1.12)</u>

Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2012.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30/06/2012 RM'000	As at 31/03/2012 RM'000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	10	97,857	99,938
Goodwill		62,845	62,916
Investment in associates		15,041	15,072
Investment in joint venture		13,306	11,300
Other investments		377	377
Trade receivables		2,580	2,580
Deferred tax assets		4,710	4,710
		<u>196,716</u>	<u>196,893</u>
Current assets			
Inventories		53,580	53,360
Trade and other receivables		131,945	146,601
Other current assets		20,339	16,239
Income tax recoverable		5,847	5,753
Cash and bank balances		32,905	47,375
		<u>244,616</u>	<u>269,328</u>
Non-current asset held for sale		11,426	14,206
		<u>256,042</u>	<u>283,534</u>
Total assets		<u>452,758</u>	<u>480,427</u>
Equity and liabilities			
Current liabilities			
Defined benefit plan		-	321
Loans and borrowings	22	72,677	74,234
Trade and other payables		104,337	128,292
Gross amount due to customers for contract		27,162	24,257
Provisions		35,220	35,220
Income tax payable		1,262	1,465
		<u>240,658</u>	<u>263,789</u>
Net current assets		<u>15,384</u>	<u>19,745</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Note	As at 30/06/2012 RM'000	As at 31/03/2012 RM'000 Audited
Non-current liabilities			
Defined benefit plan		13,206	12,853
Loans and borrowings	22	377	1,110
Deferred tax liabilities		253	253
Trade payables		36,585	36,585
		<u>50,421</u>	<u>50,801</u>
Total liabilities		<u>291,079</u>	<u>314,590</u>
Net Assets		<u>161,679</u>	<u>165,837</u>
Equity attributable to owners of the parent			
Share capital		231,633	231,633
Treasury shares		(1,905)	(1,905)
Reserves		(78,853)	(74,650)
		<u>150,875</u>	<u>155,078</u>
Non-controlling interest		10,804	10,759
Total equity		<u>161,679</u>	<u>165,837</u>
Total equity and liabilities		<u>452,758</u>	<u>480,427</u>
Net Assets Per Share Attributable To Ordinary Equity Holders of the Parent (RM)		0.70	0.72

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2012.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent		Distributable				Non-controlling Interest	Total Equity	
	Share Capital	Non-Distributable Capital	Share Premium	Revaluation Reserve	Exchange Translation Reserve	Other Reserve			Treasury Shares
2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2012	231,633	108,138	90	-	661	29,258	(1,905)	155,078	165,837
Total comprehensive income	-	-	-	-	2,678	-	-	(212,797)	(4,165)
Transactions with owners									
Share of associate's capital reserve	-	-	-	-	-	7	-	7	7
Subsidiary's bonus issue capitalized from retained profits	-	-	-	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	7	-	7	7
At 30 June 2012	231,633	108,138	90	-	3,339	29,265	(1,905)	150,875	161,679

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	Attributable to Equity Holders of the Parent										Non-controlling Interest	Total Equity
	Non-Distributable					Distributable						
	Share Capital RM'000	Share Premium RM'000	Share 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		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	-	-	-	-	3,881	-	-	(2,581)	1,300	220	1,520	
Transactions with owners												
Share of associate's capital reserve	-	-	-	-	-	109	-	-	109	-	109	
Subsidiary's bonus issue capitalized from retained profits	-	-	-	-	-	-	-	-	-	-	-	
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	-	
Total transactions with owners	-	-	-	-	-	109	-	-	109	-	109	
At 30 June 2011	231,633	108,138	90	-	(307)	29,319	(1,905)	(181,849)	185,119	8,935	194,054	

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 2012.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months to 30/06/2012 RM'000	3 months to 30/06/2011 RM'000
Operating activities		
Loss before tax	(6,660)	(1,667)
Adjustments for:		
Interest income	(262)	(37)
Net impairment losses on financial assets	(465)	21
Depreciation of property, plant and equipment	1,917	3,397
Depreciation of investment properties	-	2
Property, plant and equipment written off	187	-
Loss/(Gain) on disposal of property, plant and equipment	304	-
Interest expense	1,007	1,203
Increase in liabilities for retirement benefit obligations	247	1,118
Share of results of associates	37	(258)
Share of results of joint venture	(2,000)	(1,099)
Operating cash flows before changes in working capital	(5,688)	2,680
Changes in working capital		
Net changes in current assets	12,635	18,944
Net changes in current liabilities	(19,820)	(36,680)
Cash flows generated from/(used in) operations	(12,873)	(15,056)
Retirement benefit paid	(215)	(439)
Tax paid	(480)	(918)
Net cash flows used in operating activities	(13,568)	(16,413)
Investing activities		
Interest received	262	37
Purchase of property, plant and equipment	(731)	(37)
Proceeds from disposal of property, plant and equipment	63	-
Proceeds from disposal of non-current asset held for sale	2,800	-
Net cash flows generated from investing activities	2,394	-
Financing activities		
Interest paid	(1,007)	(1,203)
Net proceeds/(repayments) of loans and borrowings	(3,696)	8,179
Net cash flows (used in)/generated from financing activities	(4,703)	6,976
Net increase/(decrease) in cash and cash equivalents	(15,877)	(9,437)
Cash and cash equivalent at beginning of year	42,856	25,014
Cash and cash equivalents at end of financial period	26,979	15,577

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

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

	3 months to 30/06/2012 RM'000	3 months to 30/06/2011 RM'000
Deposits placed with licensed banks	17,845	5,841
Cash and bank balances	15,060	15,481
Total cash and bank balances	<u>32,905</u>	<u>21,322</u>
Bank overdrafts	(5,926)	(5,745)
Cash and cash equivalents at end of financial period	<u>26,979</u>	<u>15,577</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2012.

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirement. The interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2012. 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 2012.

2. Changes in Accounting Policies

The Group has adopted the Malaysia Financial Reporting Standards (“MFRSs”) with effect from 1 April 2012. The MFRS Framework has been issued by Malaysian Accounting Standards Board (“MASB”) on 19 November 2011. The convergence to the MFRS framework has no material impact on the Group’s financial position and performance.

The following MFRSs, Amendments to MFRSs and IC Interpretations that are effective for financial periods beginning on or after 1 July 2012 or 1 January 2013:

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associate and Joint Venture
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
IC Interpretation 15	Agreements for the Construction of Real Estate

The Group has not completed its assessment of the effects of the above MFRSs and Amendments to MFRSs due to the complexity of these new MFRSs and Amendments to MFRSs, and their proposed changes.

3. Qualification of Financial Statement

The auditors’ report on the financial statements for the year ended 31 March 2012 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 June 2012.

6. Changes In Estimates

There was no material change in estimates reported in the current financial quarter.

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

7. Debt and Equity Securities

There were no issuance and repayment of debts 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 June 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 current financial quarter.

8. Dividend Paid

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

9. Segmental Reporting

By Activities

Cumulative Quarter
30 June 2012

	Construction RM'000	Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue				
Revenue from external customers	25,491	20,593	-	46,084
Inter-segment revenue	334	3,343	(3,677)	
Total revenue	25,825	23,936	(3,677)	46,084
Segment results	(6,903)	(3,045)	1,724	(8,224)
Other income				608
Finance costs				(1,007)
Share of results of associates				(37)
Share of results of joint venture				2,000
Income tax expense				(183)
Loss for the period				(6,843)

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

9. Segmental Reporting (Cont'd)

Cumulative Quarter
30 June 2011

	Construction RM'000	Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue				
Revenue from external customers	63,024	31,659	-	94,683
Inter-segment revenue	-	15,881	(15,881)	
Total revenue	63,024	47,540	(15,881)	94,683
Segment results	(3,680)	(1,610)	2,040	(3,250)
Other income				1,429
Finance costs				(1,203)
Share of results of associates				258
Share of results of joint venture				1,099
Income tax expense				(694)
Loss for the period				<u>(2,361)</u>

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 2012.

11. Subsequent Events

There were no material events subsequent to the end of the current financial quarter.

12. Changes in the Composition of the Group

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

13. Changes in Contingent Liabilities and Contingent Assets

(a) There was no change since 31 March 2012 which comprises of:

	RM'000
Corporate Guarantee given to financial institutions for facilities granted to an associate company	<u>3,000</u>

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

14. Review of Performance of the Group

CURRENT QUARTER vs. CORRESPONDING QUARTER

	30/06/2012 RM'000	30/06/2011 RM'000	Variance RM'000 %	
Segmental Turnover				
Construction	25,825	63,024	(37,199)	(59)
Manufacturing	23,936	47,540	(23,604)	(50)
	49,761	110,564		
Inter-segment	(3,677)	(15,881)		
	46,084	94,683	(48,599)	(51)
Pre-tax Loss				
Construction	(6,175)	(3,024)	(3,151)	>100
Manufacturing	(2,448)	-	(2,448)	100
	(8,623)	(3,024)		
Share of results of associates	(37)	258		
Share of results of joint venture	2,000	1,099		
	(6,660)	(1,667)	(4,993)	>100

For the current quarter under review, the Group recorded revenue of RM46.1 million and pre-tax loss of RM6.7 million, as compared to revenue of RM94.7 million and pre-tax loss of RM1.7 million in the corresponding quarter. This represents a revenue reduction of 51% and pre-tax loss position.

The decline in revenue and higher losses were mainly attributable to lower billings registered at the Construction Division due to the completion of major projects in hand and lower take-up rates for its Manufacturing Division. Higher losses were also attributed to translation loss from foreign exchange.

15. Variation of Results Against Preceding Quarter

CURRENT QUARTER vs. PRECEDING QUARTER

	30/06/2012 RM'000	31/03/2012 RM'000	Variance RM'000 %	
Segmental Turnover				
Construction	25,825	88,474	(62,649)	(71)
Manufacturing	23,936	32,237	(8,301)	(26)
	49,761	120,711		
Inter-segment	(3,677)	(29,375)		
	46,084	91,336	(45,252)	(50)
Pre-tax Loss				
Construction	(6,175)	(7,763)	1,588	20
Manufacturing	(2,448)	(9,612)	7,164	75
	(8,623)	(17,375)		
Share of results of associates	(37)	380		
Share of results of joint venture	2,000	2,152		
	(6,660)	(14,843)	8,183	55

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

15. Variation of Results Against Preceding Quarter (cont'd)

The Group recorded revenue of RM46.1 million in the current quarter as compared to RM91.3 million in the immediate preceding quarter, representing Q.o.Q decline of 50%. The decrease was mainly attributable to lower turnover registered at the Construction Division as major projects are near to completion.

The Group recorded a pre-tax loss of RM6.7 million as compared to a pre-tax loss of RM14.8 million in the immediate preceding quarter. Higher losses were recorded in the immediate preceding quarter due to provisional penalties imposed on existing jobs.

16. Current Year Prospects

The Group has recently been awarded 2 major contracts with total value of about RM800 million. One of the contracts was awarded by the Mass Rapid Transit Corporation for Package V7 for the construction and completion of viaduct guideway and other associated works from Bandar Tun Hussein Onn to Taman Mesra in Kajang. The other contract was Package C awarded by UEMB-MRCB JV Sdn. Bhd. for the proposed Fourth Lane Widening between Sg Buloh and Rawang Interchange.

Barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance for the current financial year.

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	
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	1,917	3,397	1,917	3,397
Interest income	(262)	(37)	(262)	(37)
Loss on disposal of property, plant and equipment	304	-	304	-
Provision for doubtful debts	346	751	346	751
Bad debts written back	(811)	(730)	(811)	(730)

19. Income Tax Expense

	Individual quarter ended		Cumulative quarter ended	
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	RM'000	RM'000	RM'000	RM'000
Current period's provision	(183)	(694)	(183)	(694)

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.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

26. Disclosure of Realised and Unrealised Accumulated Losses

	As at 30/06/2012 RM'000	As at 31/03/2012 RM'000
Total accumulated losses of the Company and the subsidiaries:		
Realised	(195,104)	(228,005)
Unrealised	(30,762)	(30,757)
	<u>(225,866)</u>	<u>(258,762)</u>
Total share of retained profits from associate		
Realised	5,043	5,074
Unrealised	(739)	(739)
Total share of retained profits from joint venture		
Realised	2,000	5,781
	<u>(219,562)</u>	<u>(248,646)</u>
Less : Consolidated adjustments	(303)	35,849
Total accumulated losses as per statement of financial position	<u>(219,685)</u>	<u>(212,797)</u>

Batu Caves, Selangor
29 August 2012

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