

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

Quarterly report on consolidated results for the quarter ended 30 June 2013
The figures have not been audited

The Directors are pleased to announce the following:

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Individual quarter ended		Cumulative quarter ended	
		30/06/2013	30/06/2012	30/06/2013	30/06/2012
		RM'000	RM'000	RM'000	RM'000
Revenue	9	67,490	46,084	67,490	46,084
Cost of sales		(61,114)	(42,496)	(61,114)	(42,496)
Gross profit		<u>6,376</u>	<u>3,588</u>	<u>6,376</u>	<u>3,588</u>
Other items of income					
Other income		3,616	608	3,616	608
Other items of expense					
Selling and marketing expenses		(2,177)	(2,045)	(2,177)	(2,045)
Administrative and other expenses		(9,314)	(9,767)	(9,314)	(9,767)
Finance costs		(1,011)	(1,007)	(1,011)	(1,007)
Share of results of associates		242	(37)	242	(37)
Share of results of joint ventures		4,135	2,000	4,135	2,000
Profit/(Loss) before tax		<u>1,867</u>	<u>(6,660)</u>	<u>1,867</u>	<u>(6,660)</u>
Income tax expense	19	(414)	(183)	(414)	(183)
Profit/(Loss) net of tax		<u>1,453</u>	<u>(6,843)</u>	<u>1,453</u>	<u>(6,843)</u>
Other comprehensive income for the period, net of tax					
Foreign currency translation		(772)	2,678	(772)	2,678
Total comprehensive income for the Period		<u>681</u>	<u>(4,165)</u>	<u>681</u>	<u>(4,165)</u>
Profit/(Loss) attributable to:					
Owners of the parent		1,473	(6,888)	1,473	(6,888)
Non-controlling interest		(20)	45	(20)	45
		<u>1,453</u>	<u>(6,843)</u>	<u>1,453</u>	<u>(6,843)</u>
Total comprehensive income attributable to:					
Owners of the parent		701	(4,210)	701	(4,210)
Non-controlling interest		(20)	45	(20)	45
		<u>681</u>	<u>(4,165)</u>	<u>681</u>	<u>(4,165)</u>
Earnings/(Loss) per share attributable to owners of the parent (sen per share)					
Basic	25	<u>0.64</u>	<u>(2.98)</u>	<u>0.64</u>	<u>(2.98)</u>

Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2013.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 30/06/2013 RM'000	As at 31/03/2013 RM'000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	10	93,449	94,749
Investment properties		-	-
Goodwill		62,700	62,700
Investments in associates		22,255	22,012
Investments in joint ventures		19,950	17,375
Other investments		337	337
Trade receivables		663	1,672
Deferred tax assets		5,297	418
		<u>204,651</u>	<u>199,263</u>
Current assets			
Inventories		43,792	47,067
Trade and other receivables		142,541	170,605
Gross amount due from customers for contract		36,451	23,745
Other current assets		3,051	3,090
Income tax recoverable		1,627	1,448
Cash and bank balances		35,842	56,576
		<u>263,304</u>	<u>302,531</u>
Non-current asset held for sale		275	275
		<u>263,579</u>	<u>302,806</u>
Total assets		<u>468,230</u>	<u>502,069</u>
Equity and liabilities			
Current liabilities			
Defined benefit plan		36	238
Loans and borrowings	22	60,561	57,566
Trade and other payables		190,807	223,252
Gross amount due to customers for contract		18,351	20,608
Provisions		815	815
Income tax payable		6,519	6,894
		<u>277,089</u>	<u>309,373</u>
Net current assets		(13,510)	(6,567)

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	As at 30/06/2013 RM'000	As at 31/03/2013 RM'000 Audited
Non-current liabilities			
Defined benefit plan		14,008	13,595
Loans and borrowings	22	119	177
Deferred tax liabilities		253	1,831
Trade payables		3,254	4,266
		<u>17,634</u>	<u>19,869</u>
Total liabilities		<u>294,723</u>	<u>329,242</u>
Net Assets		<u>173,507</u>	<u>172,827</u>
Equity attributable to owners of the parent:			
Share capital		231,633	231,633
Treasury shares		(1,905)	(1,905)
Reserves		(67,145)	(67,845)
		<u>162,583</u>	<u>161,883</u>
Non-controlling interest		10,924	10,944
Total equity		<u>173,507</u>	<u>172,827</u>
Total equity and liabilities		<u>468,230</u>	<u>502,069</u>
Net Assets Per Share Attributable To Ordinary Equity Holders of the Parent (RM)		0.76	0.75

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2013.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent		Distributable				Non-controlling Interest	Total Equity			
	Share Capital	Non-Distributable	Capital Redemption Reserve	Revaluation Reserve	Exchange Translation Reserve	Other Reserve			Treasury Shares	Accumulated Losses	Total
2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 April 2013	231,633	108,138	90	-	(1,516)	29,272	(1,905)	(203,829)	161,883	10,944	172,827
Total comprehensive income	-	-	-	-	(772)	-	-	1,473	701	(20)	680
Transactions with owners:											
Share of associate's capital reserve	-	-	-	-	-	-	-	-	-	-	-
Subsidiary's bonus issue capitalized from retained profits	-	-	-	-	-	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	(2,288)	29,272	(1,905)	(202,356)	162,583	10,924	173,507
At 30 June 2013	231,633	108,138	90	-	(2,288)	29,272	(1,905)	(202,356)	162,583	10,924	173,507

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Attributable to Equity Holders of the Parent										Non-controlling Interest	Total Equity	
	Non-Distributable					Distributable							
	Share Capital	Share Premium	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	RM'000	
2013													
At 1 April 2012 (restated)	231,633	108,138	90	-	4,849	29,258	(1,905)	155,078	(216,985)	10,759	165,837		
Total comprehensive loss	-	-	-	-	2,678	-	-	(4,210)	(6,888)	45	(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 (restated)	231,633	108,138	90	-	7,527	29,265	(1,905)	150,875	(223,873)	10,804	161,679		

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2013.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	3 months to 30/06/2013 RM'000	3 months to 30/06/2012 RM'000
Operating activities		
Profit/(Loss) before tax	1,867	(6,660)
Adjustments for:		
Interest income	(49)	(262)
Net impairment losses on financial assets	(967)	(465)
Depreciation of property, plant and equipment	1,703	1,917
Property, plant and equipment written off	-	187
(Gain)/Loss on disposal of property, plant and equipment	(28)	304
Interest expense	1,112	1,007
Increase in liabilities for retirement benefit obligations	219	247
Share of results of associates	(242)	37
Share of results of joint venture	(4,135)	(2,000)
Operating cash flows before changes in working capital	<u>(520)</u>	<u>(5,688)</u>
Changes in working capital		
Net changes in current assets	12,518	12,635
Net changes in current liabilities	(35,590)	(19,820)
Cash flows generated from/(used in) operations	<u>(23,592)</u>	<u>(12,873)</u>
Retirement benefit paid	(8)	(215)
Tax paid	(747)	(480)
Net cash flows (used in)/generated from operating activities	<u>(24,347)</u>	<u>(13,568)</u>
Investing activities		
Interest received	49	262
Purchase of property, plant and equipment	(438)	(731)
Proceeds from disposal of property, plant and equipment	62	63
Proceeds from disposal of non-current asset held for sale	-	2,800
Investment in a joint venture	1,560	-
Net cash flows generated from investing activities	<u>1,233</u>	<u>2,394</u>
Financing activities		
Interest paid	(1,112)	(1,007)
Net (repayments)/proceeds of loans and borrowings	1,667	(3,696)
Net cash flows (used in)/generated from financing activities	<u>555</u>	<u>(4,703)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(22,559)</u>	<u>(15,877)</u>
Effects of exchange rate changes on cash and cash equivalents	26	-
Cash and cash equivalent at beginning of year	52,459	42,856
Cash and cash equivalents at end of financial period	<u>29,926</u>	<u>26,979</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

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

	3 months to 30/06/2013 RM'000	3 months to 30/06/2012 RM'000
Deposits placed with licensed banks	8,412	17,845
Cash and bank balances	27,430	15,060
Total cash and bank balances	<u>35,842</u>	<u>32,905</u>
Bank overdrafts	(5,916)	(5,926)
Cash and cash equivalents at end of financial period	<u>29,926</u>	<u>26,979</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2013.

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

These condensed consolidated 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. These condensed consolidated interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

These condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2013. The explanatory notes are attached to the condensed consolidated 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 2013.

2. First-time adoption of MFRS

The Group has adopted the Malaysian 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. With effect on that, the Group has prepared its first set of financial statements in accordance with MFRS and IFRS including the application of MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards for the year ended 31 March 2013 with the adjusted on the transition period from FRS to MFRS on the Group’s opening statements of financial position as at 31 March 2012 and 1 April 2011.

3. Qualification of Financial Statement

The auditors’ report on the financial statements for the year ended 31 March 2013 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 2013.

6. Changes In Estimates

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

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 2013, 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.

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

8. Dividend Paid

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

9. Segmental Reporting

By Activities

Cumulative Quarter
30 June 2013

	Construction RM'000	Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue				
Revenue from external customers	39,338	28,152	-	67,490
Inter-segment revenue	931	4,513	(5,444)	-
Total revenue	40,269	32,665	(5,444)	67,490
Segment results	(5,730)	(1,285)	1,900	(5,115)
Other income				3,616
Finance costs				(1,011)
Share of results of associates				242
Share of results of joint ventures				4,135
Income tax expense				(414)
Profit for the period				1,453

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 ventures				2,000
Income tax expense				(183)
Loss for the period				(6,843)

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

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 2013.

11. Subsequent Events

There were no material subsequent events 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

There were no changes in both contingent liabilities and contingent assets since the year ended 31 March 2013.

14. Review of Performance of the Group

CURRENT QUARTER vs. CORRESPONDING QUARTER

	30/06/2013 RM'000	30/06/2012 RM'000	Variance RM'000	%
Segmental Turnover				
Construction	40,269	25,825	14,444	56%
Manufacturing	32,665	23,936	8,729	36%
	<u>72,934</u>	<u>49,761</u>		
Inter-segment	(5,444)	(3,677)		
	<u>67,490</u>	<u>46,084</u>	21,406	46%
Pre-tax Profit/(Loss)				
Construction	(2,218)	(6,175)	3,957	64%
Manufacturing	(292)	(2,448)	2,156	88%
	<u>(2,510)</u>	<u>(8,623)</u>		
Share of results of associates	242	(37)	279	>100%
Share of results of joint ventures	4,135	2,000	2,135	>100%
	<u>1,867</u>	<u>(6,660)</u>	8,527	>100%

For the current quarter under review, the Group recorded revenue of RM67.5 million and pre-tax profit of RM1.9 million, as compared to revenue of RM46.1 million and pre-tax loss of RM6.6 million in the corresponding quarter. This represents a revenue increase of 46%.

The increase in revenue was mainly attributable to increased billings from new jobs in the Construction division. The take-up rate for its manufacturing products by the clients has also picked up. The improvement in pre-tax profit was mainly due to higher contribution from the joint controlled entities.

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

15. Variation of Results Against Preceding Quarter

CURRENT QUARTER vs. PRECEDING QUARTER

	30/06/2013	31/03/2013	Variance	
	RM'000	RM'000 Audited	RM'000	%
Segmental Turnover				
Construction	40,269	82,439	(42,170)	(51%)
Manufacturing	32,665	33,227	(562)	(2%)
	<u>72,934</u>	<u>115,666</u>		
Inter-segment	(5,444)	(13,676)		
	<u>67,490</u>	<u>101,990</u>	(34,500)	(34%)
Pre-tax Profit				
Construction	(1,877)	22,938	(24,815)	<(100%)
Manufacturing	2,108	(7,356)	9,464	>100%
	231	15,582		
Inter-segment	(2,741)	14,102	(16,843)	<(100%)
	<u>(2,510)</u>	<u>29,684</u>		
Share of results of associates	242	6,360	(6,118)	(96%)
Share of results of joint venture	4,135	(2,626)	6,761	>100%
	<u>1,867</u>	<u>33,418</u>	(31,551)	(94%)

The Group recorded revenue of RM67.5 million in the current quarter as compared to RM102 million in the immediate preceding quarter, representing Quarter on Quarter (Q.o.Q) decrease of 34%. The decrease was attributable to lower billings recorded in the Construction division.

The Group recorded a lower pre-tax profit of RM1.9 million as compared to a pre-tax profit of RM33.4 million in the immediate preceding quarter. The significant increase in pre-tax profit in the preceding quarter was mainly attributable to reversal of provisional penalties imposed on completed jobs.

16. Prospects for the New Financial Year

The Group near term prospects remained challenging and continues to remain focused and cautious in seeking infrastructure jobs opportunities available in the domestic and overseas markets. Barring unforeseen circumstances, the Group expects its performance to gradually improve in the coming financial year underpinned by the outstanding order book of RM912 million for both its Construction and Manufacturing divisions.

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. Profit/(Loss) Before Tax

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

	Individual quarter ended		Cumulative quarter ended	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	1,703	1,917	1,703	1,917
Interest income	(49)	(262)	(49)	(262)
(Gain)/Loss on disposal of property, plant and equipment	(28)	304	(28)	304
Provision for doubtful debts	1,158	346	1,158	346
Bad debts written back	(2,125)	(811)	(2,125)	(811)

19. Income Tax Expense

	Individual quarter ended		Cumulative quarter ended	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	RM'000	RM'000	RM'000	RM'000
Current period's provision	(414)	(183)	(414)	(183)

The effective tax rate for the current quarter was lower than the statutory tax rate principally due to the profit contributed by overseas joint venture entity Abu Dhabi which is not subject to tax.

20. Unquoted Investment and Properties

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

21. Status of Corporate Proposals Announced

There were no corporate proposals announced during the current financial quarter.

22. Borrowings and Debts Securities

Total Group borrowings as at 30 June are as follows:-

	As at 30/06/2013 RM'000	As at 30/06/2012 RM'000
Short term borrowings		
Secured	50,887	66,568
Unsecured	9,674	6,109
	<u>60,561</u>	<u>72,677</u>
Long term borrowings		
Secured	119	377
	<u>60,680</u>	<u>73,054</u>

23. Material Litigation

There were no significant changes in material litigation since the last annual statement of financial position date.

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

24. Dividend Payable

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

25. Earnings/(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	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) net of tax attributable to owners of the parent	1,473	(6,888)	1,473	(6,888)
	Individual quarter ended		Cumulative quarter ended	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	'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	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
Basic earnings/(loss) per share (sen)	0.64	(2.98)	0.64	(2.98)

26. Disclosure of Realised and Unrealised Accumulated Losses

	As at 30/06/2013 RM'000	As at 31/03/2013 RM'000
Total accumulated losses of the Company and the subsidiaries:		
Realised	(217,163)	(243,990)
Unrealised	(2,239)	(2,395)
	<u>(219,402)</u>	<u>(246,385)</u>
Total share of retained profits from associate		
Realised	11,707	11,653
Unrealised	(432)	(378)
	<u>(208,127)</u>	<u>(235,110)</u>
Total share of retained profits from joint venture		
Realised	4,135	6,075
	<u>(203,992)</u>	<u>(229,035)</u>
Less : Consolidated adjustments	1,636	25,206
Total accumulated losses as per statement of financial position	<u>(202,356)</u>	<u>(203,829)</u>

Batu Caves, Selangor
30 August 2013

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