

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

Quarterly report on consolidated results for the quarter ended 30 September 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	
		30/09/2013	30/09/2012	30/09/2013	30/09/2012
		RM'000	RM'000	RM'000	RM'000
Revenue	8	99,655	69,548	167,145	115,632
Cost of sales		(95,544)	(62,695)	(156,658)	(105,191)
Gross profit		<u>4,111</u>	<u>6,853</u>	<u>10,487</u>	<u>10,441</u>
Other items of income					
Other income		10,217	531	13,833	1,139
Other items of expense					
Selling and marketing expenses		(2,320)	(2,886)	(4,497)	(4,930)
Administrative and other expenses		(2,455)	(6,075)	(11,769)	(15,842)
Finance costs		(843)	(1,518)	(1,854)	(2,525)
Share of results of associates		113	210	355	173
Share of results of joint ventures		(4,586)	3,089	(450)	5,088
Profit/(Loss) before tax		<u>4,237</u>	<u>204</u>	<u>6,105</u>	<u>(6,456)</u>
Income tax expense	18	(501)	(120)	(915)	(303)
Profit/(Loss) net of tax		<u>3,736</u>	<u>84</u>	<u>5,190</u>	<u>(6,759)</u>
Other comprehensive income for the period, net of tax					
Foreign currency translation		(2,071)	(460)	(2,843)	2,218
Total comprehensive income for the Period		<u>1,665</u>	<u>(376)</u>	<u>2,347</u>	<u>(4,541)</u>
Profit/(Loss) attributable to:					
Owners of the parent		3,214	39	4,688	(6,849)
Non-controlling interest		522	45	502	90
		<u>3,736</u>	<u>84</u>	<u>5,190</u>	<u>(6,759)</u>
Total comprehensive income attributable to:					
Owners of the parent		1,143	(421)	1,845	(4,631)
Non-controlling interest		522	45	502	90
		<u>1,665</u>	<u>(376)</u>	<u>2,347</u>	<u>(4,541)</u>
Earnings/(Loss) per share attributable to owners of the parent (sen per share)					
Basic	24	<u>1.39</u>	<u>0.02</u>	<u>2.03</u>	<u>(2.96)</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 30/09/2013 RM'000	As at 31/03/2013 RM'000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	9	93,035	94,749
Investment properties		-	-
Goodwill		62,601	62,700
Investments in associates		22,368	22,012
Investments in joint ventures		17,307	17,375
Other investments		337	337
Trade receivables		4,522	1,672
Deferred tax assets		5,259	418
		<u>205,429</u>	<u>199,263</u>
Current assets			
Inventories		40,114	47,067
Trade and other receivables		128,443	170,605
Gross amount due from customers for contract		65,590	23,745
Other current assets		4,916	3,090
Income tax recoverable		2,170	1,448
Cash and bank balances		34,684	56,576
		<u>275,917</u>	<u>302,531</u>
Non-current asset held for sale		275	275
		<u>276,192</u>	<u>302,806</u>
Total assets		<u>481,621</u>	<u>502,069</u>
EQUITY AND LIABILITIES			
Current liabilities			
Defined benefit plan		36	238
Loans and borrowings	21	51,593	57,566
Trade and other payables		181,644	223,252
Gross amount due to customers for contract		19,391	20,608
Provisions		815	815
Income tax payable		6,544	6,894
		<u>260,023</u>	<u>309,373</u>
Net current assets/(liabilities)		16,169	(6,567)

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	As at 30/09/2013 RM'000	As at 31/03/2013 RM'000 Audited
Non-current liabilities			
Defined benefit plan		14,062	13,595
Loans and borrowings	21	17	177
Deferred tax liabilities		213	1,831
Trade payables		32,132	4,266
		46,424	19,869
Total liabilities		306,447	329,242
Net Assets		175,174	172,827
Equity attributable to owners of the parent:			
Share capital		231,633	231,633
Treasury shares		(1,905)	(1,905)
Reserves		(66,000)	(67,845)
		163,728	161,883
Non-controlling interest		11,446	10,944
Total equity		175,174	172,827
Total equity and liabilities		481,621	502,069
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

	Share Capital		Attributable to Equity Holders of the Parent				Non-controlling Interest	Total Equity			
	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	Distributable Total RM'000
2014											
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	-	-	-	-	(2,843)	-	-	4,688	1,845	502	2,347
Transactions with owners	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2013	231,633	108,138	90	-	(4,359)	29,272	(1,905)	(199,141)	163,728	11,446	175,174

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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)	(216,985)	155,078	10,759	165,837		
Total comprehensive loss	-	-	-	-	2,218	-	-	(6,849)	(4,631)	90	(4,541)		
Transactions with owners:													
Share of associate's capital reserve	-	-	-	-	-	7	-	-	7	-	-	7	
Total transactions with owners	-	-	-	-	-	7	-	-	7	-	-	7	
At 30 September 2012	231,633	108,138	90	-	7,067	29,265	(1,905)	(223,834)	150,454	10,849	161,303		

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

	6 months to 30/09/2013 RM'000	6 months to 30/09/2012 RM'000
Operating activities		
Profit/(Loss) before tax	6,105	(6,456)
Adjustments for:		
Dividend income from joint venture	(6,000)	-
Interest income	(80)	(373)
Net impairment losses on financial assets	1,872	(1,145)
Depreciation of property, plant and equipment	3,334	3,891
Property, plant and equipment written off	-	297
(Gain)/Loss on disposal of property, plant and equipment	(46)	304
Interest expense	1,854	2,525
Provisions	(11)	-
Increase in liabilities for retirement benefit obligations	274	486
Share of results of associates	(355)	(173)
Share of results of joint venture	450	(5,088)
Operating cash flows before changes in working capital	<u>7,397</u>	<u>(5,732)</u>
Changes in working capital		
Net changes in current assets	16,723	8,566
Net changes in current liabilities	(46,097)	(18,801)
Cash flows used in operations	<u>(21,977)</u>	<u>(15,967)</u>
Retirement benefit paid	(8)	(215)
Tax paid	(1,985)	(1,204)
Net cash flows used in operating activities	<u>(23,970)</u>	<u>(17,386)</u>
Investing activities		
Interest received	80	373
Purchase of property, plant and equipment	(1,680)	(1,857)
Proceeds from disposal of property, plant and equipment	87	63
Proceeds from disposal of non-current asset held for sale	-	2,800
Dividend received from joint venture	6,000	-
Net cash flows generated from investing activities	<u>4,487</u>	<u>1,379</u>
Financing activities		
Interest paid	(1,854)	(2,525)
Net repayments of hire purchase and finance lease liabilities	(111)	-
Net (repayments of)/proceeds from loans and borrowings	(5,321)	132
Net cash flows (used in)/generated from financing activities	<u>(7,286)</u>	<u>(2,393)</u>
Net decrease in cash and cash equivalents	(26,769)	(18,400)
Effects of exchange rate changes on cash and cash equivalents	2,945	-
Cash and cash equivalent at beginning of year	52,459	42,856
Cash and cash equivalents at end of financial period	<u>28,635</u>	<u>24,456</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:

	6 months to 30/09/2013 RM'000	6 months to 30/09/2012 RM'000
Deposits placed with licensed banks	10,898	23,407
Cash and bank balances	23,786	6,357
Total cash and bank balances	<u>34,684</u>	<u>29,764</u>
Bank overdrafts	(6,049)	(5,308)
Cash and cash equivalents at end of financial period	<u>28,635</u>	<u>24,456</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. Qualification of Financial Statement

The auditors' report on the financial statements for the year ended 31 March 2013 was not qualified.

3. Seasonal or Cyclical Factors

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

4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current financial quarter ended 30 September 2013.

5. Changes In Estimates

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

6. 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 September 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.

7. Dividend Paid

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

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

8. Segmental Reporting

By Activities

Cumulative Quarter
30 September 2013

	Construction RM'000	Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue				
Revenue from external customers	115,733	51,412	-	167,145
Inter-segment revenue	3,529	7,402	(10,931)	-
Total revenue	119,262	58,814	(10,931)	167,145
Segment results	(5,061)	(1,426)	708	(5,779)
Other income				13,833
Finance costs				(1,854)
Share of results of associates				355
Share of results of joint ventures				(450)
Income tax expense				(915)
Profit for the period				5,190

Cumulative Quarter
30 September 2012

	Construction RM'000	Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue				
Revenue from external customers	63,983	51,649	-	115,632
Inter-segment revenue	334	9,528	(9,862)	-
Total revenue	64,317	61,177	(9,862)	115,632
Segment results	(10,922)	(3,350)	3,941	(10,331)
Other income				1,139
Finance costs				(2,525)
Share of results of associates				173
Share of results of joint ventures				5,088
Income tax expense				(303)
Loss for the period				(6,759)

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

9. 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.

10. Subsequent Events

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

11. Changes in the Composition of the Group

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

12. Changes in Contingent Liabilities and Contingent Assets

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

13. Review of Performance of the Group

CURRENT QUARTER vs. CORRESPONDING QUARTER

	30/09/2013 RM'000	30/09/2012 RM'000	Variance	
			RM'000	%
Segmental Turnover				
Construction	78,993	38,493	40,500	>100
Manufacturing	26,149	37,241	(11,092)	(30)
	<u>105,142</u>	<u>75,734</u>		
Inter-segment	(5,487)	(6,186)		
	<u>99,655</u>	<u>69,548</u>	30,107	43
 Pre-tax Profit/(Loss)				
Construction	8,892	(3,709)	12,601	>100
Manufacturing	(182)	614	(796)	>(100)
	<u>8,710</u>	<u>(3,095)</u>		
Share of results of associates	113	210	(97)	(46)
Share of results of joint ventures	(4,586)	3,089	(7,675)	>(100)
	<u>4,237</u>	<u>204</u>	4,033	>100

For the current quarter under review, the Group recorded revenue of RM99.7 million and pre-tax profit of RM4.2 million, as compared to revenue of RM69.5 million and pre-tax profit of RM0.2 million in the corresponding quarter. This represents a revenue increase by 43%.

The increase in revenue was mainly attributable to increased billings from the existing jobs in the Construction division. The improvement in pre-tax profit was mainly due to higher contribution from the Construction division.

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

14. Variation of Results Against Preceding Quarter

CURRENT QUARTER vs. PRECEDING QUARTER

	30/09/2013	30/06/2013	Variance	
	RM'000	RM'000	RM'000	%
Segmental Turnover				
Construction	78,993	40,269	38,724	96
Manufacturing	26,149	32,665	(6,516)	(20)
	<u>105,142</u>	<u>72,934</u>		
Inter-segment	(5,487)	(5,444)		
	<u>99,655</u>	<u>67,490</u>	32,165	48
Pre-tax Profit/(loss)				
Construction	8,892	(2,218)	11,110	>100
Manufacturing	(182)	(292)	110	38
	<u>8,710</u>	<u>(2,510)</u>		
Share of results of associates	113	242	(129)	(53)
Share of results of joint venture	(4,586)	4,135	(8,721)	>(100)
	<u>4,237</u>	<u>1,867</u>	2,370	>100

The Group recorded revenue of RM99.7 million in the current quarter as compared to RM67.5 million in the immediate preceding quarter, representing Q.o.Q increase of 48%. The increase was mainly attributable to higher turnover registered at the Construction Division.

The Group recorded a pre-tax profit of RM4.2 million as compared to a pre-tax profit of RM1.9 million in the immediate preceding quarter. The lower losses on Manufacturing division has been mitigated by the higher income recorded in Construction division which resulted in an increase of pre-tax profit in current quarter under review.

15. Prospects for the remaining period to the end of Financial Year

The Group expects its financial performance to gradually improve in the next two quarters from its outstanding order book of RM883 million for both Construction and Manufacturing division. The Group continues to be focused and cautious in seeking infrastructure jobs opportunities available in the domestic and overseas markets, and remain vigilant in monitoring and controlling cost to ensure profitability of existing projects.

16. 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)

17. Profit/(Loss) Before Tax

The following items have been included in arriving at profit/(loss) before tax:

	Individual quarter ended 30/09/2013 RM'000	Cumulative quarter ended 30/09/2013 RM'000
Interest income	(31)	(80)
Other income	(10,186)	(13,753)
Interest expense	742	1,854
Depreciation of property, plant and equipment	1,631	3,334
Provision for doubtful debts	714	1,872
Bad debts written off	-	-
Bad debts written back	542	(1,583)
Provision of slow moving stocks	-	-
Inventories written off	-	-
(Gain)/Loss on disposal of quoted investment	-	-
(Gain)/Loss on disposal of unquoted investment	-	-
(Gain)/Loss on disposal of property, plant and equipment	(18)	(46)
Net impairment of assets	-	-
(Gain)/Loss of foreign exchange	(2,931)	(144)

18. Income Tax Expense

	Individual quarter ended		Cumulative quarter ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Current period's provision	(501)	(120)	(915)	(303)

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 in Abu Dhabi was not subject to tax.

19. Unquoted Investment and Properties

There were no sales of unquoted investments or properties during the current financial quarter.

20. Status of Corporate Proposals Announced

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

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

21. Borrowings and Debts Securities

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

	As at 30/09/2013 RM'000	As at 30/09/2012 RM'000
Short term borrowings		
Secured	45,621	69,723
Unsecured	5,972	6,244
	<u>51,593</u>	<u>75,967</u>
Long term borrowings		
Secured	18	298
	<u>51,611</u>	<u>76,265</u>

22. Material Litigation

There were no significant changes in material litigation since the last annual balance sheet date.

23. Dividend Payable

The Directors have recommended a first and final dividend of 1 sen per share less 25% of income tax for the financial year ended 31 March 2013 (first and final dividend of 1 sen per share less 25% of income tax for the financial year ended 31 March 2012), payable on 31 October 2013 to Depositors who are registered in the Record of Depositors at the close of business on 10 October 2013. The aforesaid proposed dividend has been approved at the Annual General Meeting (AGM) of the Company held on 26 September 2013.

24. 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	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) net of tax attributable to owners of the parent	3,214	39	4,688	(6,849)
	<hr/>		<hr/>	
	Individual quarter ended		Cumulative quarter ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	230,996	230,996	230,996	230,996
	<hr/>		<hr/>	
	Individual quarter ended		Cumulative quarter ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
Basic earnings/(loss) per share (sen)	1.39	0.02	2.03	(2.96)
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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

25. Disclosure of Realised and Unrealised Accumulated Losses

	As at 30/09/2013 RM'000	As at 30/06/2013 RM'000
Total accumulated losses of the Company and the subsidiaries:		
Realised	(239,302)	(217,163)
Unrealised	12,774	(2,239)
	<u>(226,528)</u>	<u>(219,402)</u>
Total share of retained profits from associate		
Realised	12,008	11,707
Unrealised	(378)	(432)
	<u>(214,898)</u>	<u>(208,127)</u>
Total share of retained profits from joint venture		
Realised	13,046	4,135
	<u>(201,852)</u>	<u>(203,992)</u>
Less : Consolidated adjustments	2,711	1,636
Total accumulated losses as per statements of financial position	<u>(199,141)</u>	<u>(202,356)</u>

Batu Caves, Selangor
28 November 2013

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