

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

Quarterly report on consolidated results for the quarter ended 31 December 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	
		31/12/2013	31/12/2012	31/12/2013	31/12/2012
		RM'000	RM'000	RM'000	RM'000
Revenue	8	63,115	52,381	230,260	168,013
Cost of sales		(57,963)	(46,059)	(214,621)	(151,250)
Gross profit		<u>5,152</u>	<u>6,322</u>	<u>15,639</u>	<u>16,763</u>
Other items of income					
Other income		2,459	631	16,292	1,770
Other items of expense					
Selling and marketing expenses		(2,322)	(2,669)	(6,819)	(7,599)
Administrative and other expenses		(7,344)	(4,818)	(19,113)	(20,660)
Finance costs		(925)	(1,490)	(2,779)	(4,015)
Share of results of associates		3,554	407	3,909	580
Share of results of joint ventures		(432)	3,612	(882)	8,701
Profit/(Loss) before tax		<u>142</u>	<u>1,995</u>	<u>6,247</u>	<u>(4,460)</u>
Income tax expense	18	(746)	(928)	(1,661)	(1,232)
Profit/(Loss) net of tax		<u>(604)</u>	<u>1,067</u>	<u>4,586</u>	<u>(5,692)</u>
Other comprehensive income for the period, net of tax					
Foreign currency translation		2,666	1,015	(178)	3,233
Total comprehensive income for the Period		<u>2,062</u>	<u>2,082</u>	<u>4,408</u>	<u>(2,459)</u>
Profit/(Loss) attributable to:					
Owners of the parent		(672)	1,062	4,016	(5,787)
Non-controlling interest		68	5	570	95
		<u>(604)</u>	<u>1,067</u>	<u>4,586</u>	<u>(5,692)</u>
Total comprehensive income attributable to:					
Owners of the parent		1,994	2,077	3,838	(2,554)
Non-controlling interest		68	5	570	95
		<u>2,062</u>	<u>2,082</u>	<u>4,408</u>	<u>(2,459)</u>
Earnings/(Loss) per share attributable to owners of the parent (sen per share)					
Basic	24	<u>(0.29)</u>	<u>0.46</u>	<u>1.74</u>	<u>(2.51)</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 31/12/2013 RM'000	As at 31/03/2013 RM'000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	9	93,411	94,749
Investment properties		-	-
Goodwill		62,398	62,700
Investments in associates		25,922	22,012
Investments in joint ventures		16,837	17,375
Other investments		337	337
Trade receivables		5,606	1,672
Deferred tax assets		5,255	418
		<u>209,766</u>	<u>199,263</u>
Current assets			
Inventories		42,055	47,067
Trade and other receivables		119,308	170,605
Gross amount due from customers for contract		51,839	23,745
Other current assets		6,743	3,090
Income tax recoverable		2,485	1,448
Cash and bank balances		54,053	56,576
		<u>276,483</u>	<u>302,531</u>
Non-current asset held for sale		275	275
		<u>276,758</u>	<u>302,806</u>
Total assets		<u>486,524</u>	<u>502,069</u>
EQUITY AND LIABILITIES			
Current liabilities			
Defined benefit plan		-	238
Loans and borrowings	21	56,448	57,566
Trade and other payables		190,654	223,252
Gross amount due to customers for contract		15,500	20,608
Provisions		815	815
Income tax payable		2,506	6,894
		<u>265,923</u>	<u>309,373</u>
Net current assets/(liabilities)		10,835	(6,567)

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	As at 31/12/2013 RM'000	As at 31/03/2013 RM'000 Audited
Non-current liabilities			
Defined benefit plan		13,947	13,595
Loans and borrowings	21	168	177
Deferred tax liabilities		213	1,831
Trade payables		30,770	4,266
		<u>45,098</u>	<u>19,869</u>
Total liabilities		<u>311,021</u>	<u>329,242</u>
Net Assets		<u>175,503</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		(65,739)	(67,845)
		<u>163,989</u>	<u>161,883</u>
Non-controlling interest		11,514	10,944
Total equity		<u>175,503</u>	<u>172,827</u>
Total equity and liabilities		<u>486,524</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

2014	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			
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	-	-	-	-	(178)	-	-	4,016	3,838	570	4,408	
Transaction with owners: Dividends on ordinary shares	-	-	-	-	-	-	-	(1,732)	(1,732)	-	(1,732)	
Total transaction with owners	-	-	-	-	-	-	-	(1,732)	(1,732)	-	(1,732)	
At 31 December 2013	231,633	108,138	90	-	(1,694)	29,272	(1,905)	(201,545)	163,989	11,514	175,503	

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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	Share Redemption Reserve	Revaluation Reserve	Exchange Translation Reserve	Other Reserve	Treasury Shares	Accumulated Losses	Total			
2013	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		Non-controlling Interest RM'000	Total Equity RM'000
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	-	-	-	-	3,233	-	-	(5,787)	(2,554)		95	(2,459)
Transactions with owners:												
Share of associate's capital reserve	-	-	-	-	-	7	-	-	7		-	7
Dividends on ordinary shares	-	-	-	-	-	-	-	(1,732)	(1,732)		-	(1,732)
Total transactions with owners	-	-	-	-	-	7	-	-	(1,725)		-	(1,725)
At 31 December 2012	231,633	108,138	90	-	8,082	29,265	(1,905)	(224,504)	150,799		10,854	161,653

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 STATEMENT OF CASH FLOWS

	9 months to 31/12/2013 RM'000	9 months to 31/12/2012 RM'000
Operating activities		
Profit/(Loss) before tax	6,247	(4,460)
Adjustments for:		
Dividend income from joint venture	(6,000)	-
Interest income	(264)	(588)
Net impairment losses on financial assets	1,925	(869)
Reversal if impairment losses on non-financial assets		(2,817)
Depreciation of property, plant and equipment	4,980	5,770
Property, plant and equipment written off	-	300
(Gain)/Loss on disposal of property, plant and equipment	(92)	(998)
Interest expense	2,779	4,015
Increase in liabilities for retirement benefit obligations	1,037	535
Share of results of associates	(3,909)	(580)
Share of results of joint venture	882	(8,701)
Other non-cash items	(146)	3,542
Operating cash flows before changes in working capital	7,439	(4,851)
Changes in working capital		
Net changes in current assets	(32,692)	9,735
Net changes in current liabilities	26,504	(11,465)
Cash flows used in operations	1,251	(6,581)
Retirement benefit paid	(196)	(245)
Tax paid	(7,079)	(3,208)
Net cash flows used in operating activities	(6,024)	(10,034)
Investing activities		
Interest received	264	588
Purchase of property, plant and equipment	(3,721)	(2,204)
Proceeds from disposal of property, plant and equipment	110	123
Proceeds from disposal of non-current asset held for sale	-	11,688
Received from joint venture	10,069	-
Net cash flows generated from investing activities	6,722	10,195
Financing activities		
Dividend paid on ordinary shares	(1,732)	(1,732)
Interest paid	(2,239)	(4,015)
Net (repayments of)/proceeds from loans and borrowings	(1,437)	(5,480)
Net cash flows (used in)/generated from financing activities	(5,408)	(11,227)
Net decrease in cash and cash equivalents	(4,710)	(11,066)
Effects of exchange rate changes on cash and cash equivalents	(735)	3,233
Cash and cash equivalent at beginning of year	52,459	42,856
Cash and cash equivalents at end of financial period	47,014	35,023

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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:

	9 months to 31/12/2013 RM'000	9 months to 31/12/2012 RM'000
Deposits placed with licensed banks	9,985	19,756
Cash and bank balances	44,068	18,476
Total cash and bank balances	<u>54,053</u>	<u>38,232</u>
Bank overdrafts	(7,039)	(3,209)
Cash and cash equivalents at end of financial period	<u>47,014</u>	<u>35,023</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 31 December 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 31 December 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

On 31 October 2013, a first and final dividend of 1 sen per share less 25% income tax in respect of the financial year ended 31 March 2013 was paid by the Company amounting to RM1, 732,486.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

8. Segmental Reporting

By Activities

Cumulative Quarter
31 December 2013

	Construction RM'000	Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue				
Revenue from external customers	155,612	74,648	-	230,260
Inter-segment revenue	19,993	14,290	(34,283)	-
Total revenue	175,605	88,938	(34,283)	230,260
Segment results	(11,819)	(1,034)	2,560	(10,293)
Other income				16,292
Finance costs				(2,779)
Share of results of associates				3,909
Share of results of joint ventures				(882)
Income tax expense				(1,661)
Profit for the period				4,586

Cumulative Quarter
31 December 2012

	Construction RM'000	Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue				
Revenue from external customers	84,121	83,892	-	168,013
Inter-segment revenue	463	14,414	(14,877)	-
Total revenue	84,584	98,306	(14,877)	168,013
Segment results	(16,133)	(1,360)	5,997	(11,496)
Other income				1,770
Finance costs				(4,015)
Share of results of associates				580
Share of results of joint ventures				8,701
Income tax expense				(1,232)
Loss for the period				(5,692)

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

The Group wholly-owned subsidiary, MTD ACP Precast Sdn Bhd had on 9 October 2013, incorporated a subsidiary namely MTD ACP Precast LLC in the State of Qatar with the authorised and paid-up share capital of 200,000 ordinary shares @ Qatari Riyal (QR) 1.00 per share which 49% held by MTD ACP Precast Sdn Bhd while the remaining held by the local partner.

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

	31/12/2013 RM'000	31/12/2012 RM'000	Variance RM'000	%
Segmental Turnover				
Construction	56,343	20,266	36,077	>100
Manufacturing	30,124	37,129	(7,005)	(19)
	<u>86,467</u>	<u>57,395</u>		
Inter-segment	(23,352)	(5,014)		
	<u>63,115</u>	<u>52,381</u>	10,734	20
Pre-tax Profit				
Construction	(4,116)	(4,371)	255	6
Manufacturing	1,136	2,347	(1,211)	(52)
	<u>(2,980)</u>	<u>(2,024)</u>		
Share of results of associates	3,554	407	3,147	>100
Share of results of joint ventures	(432)	3,612	(4,044)	>(100)
	<u>142</u>	<u>1,995</u>	(1,853)	(93)

For the current quarter under review, the Group recorded revenue of RM63.1 million and lower pre-tax profit of RM0.1 million, as compared to revenue of RM52.3 million and pre-tax profit of RM2.0 million in the corresponding quarter. This represents a revenue increase by 20%.

The increase in revenue was mainly attributable to increased billings from the existing jobs in the Construction division. The lower pre-tax profit generated in current quarter was mainly due to recognition of additional costs of RM2.4 million for one of the completed project under Construction division.

Nevertheless the pre-tax loss arrived from the Construction division has been mitigated by the higher contribution from the associate of the Group.

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

14. Variation of Results Against Preceding Quarter

CURRENT QUARTER vs. PRECEDING QUARTER

	31/12/2013	30/09/2013	Variance	
	RM'000	RM'000	RM'000	%
Segmental Turnover				
Construction	56,343	78,993	(22,650)	(29)
Manufacturing	30,124	26,149	3,975	15
	<u>86,467</u>	<u>105,142</u>		
Inter-segment	(23,352)	(5,487)		
	<u>63,115</u>	<u>99,655</u>	(36,540)	(37)
Pre-tax (loss)/profit				
Construction	(4,116)	8,892	(13,008)	>(100)
Manufacturing	1,136	(182)	1,318	>100
	<u>(2,980)</u>	<u>8,710</u>		
Share of results of associates	3,554	113	3,441	>100
Share of results of joint venture	(432)	(4,586)	4,154	91
	<u>142</u>	<u>4,237</u>	(4,095)	(97)

The Group recorded revenue of RM63.1 million in the current quarter as compared to RM99.7 million in the immediate preceding quarter, representing Q.o.Q decreased by 37%. The decrease was mainly attributable to lower turnover registered at the Construction Division.

The Group recorded a pre-tax profit of RM0.1 million as compared to a pre-tax profit of RM4.2 million in the immediate preceding quarter. The lower pre-tax profit generated in current quarter was mainly due to recognition of additional cost of RM2.4 million for one of the completed project under Construction division. However, the loss arrived has been mitigated by the higher contribution from the associate of the Group which resulted in a lower 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 quarter from its outstanding order book of RM845 million for both Construction and Manufacturing division. The Group continues to be focused and cautious in seeking infrastructure job 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.

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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 31/12/2013 RM'000	Cumulative quarter ended 31/12/2013 RM'000
Interest income	(184)	(264)
Other income	(1,498)	(13,478)
Interest expense	925	2,779
Depreciation of property, plant and equipment	1,646	4,980
Provision for doubtful debts	12	1,884
Bad debts written off	2,353	2,353
Bad debts written back	(729)	(2,312)
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	(46)	(92)
Net impairment of assets	-	-
(Gain)/Loss of foreign exchange	(2)	(146)

18. Income Tax Expense

	Individual quarter ended		Cumulative quarter ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Current period's provision	(746)	(928)	(1,661)	(1,232)

The effective tax rate for the current quarter was lower than the statutory tax rate principally due to the profit contributed by the associate 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.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

25. Disclosure of Realised and Unrealised Accumulated Losses

	As at 31/12/2013 RM'000	As at 30/09/2013 RM'000
Total accumulated losses of the Company and the subsidiaries:		
Realised	(241,706)	(239,302)
Unrealised	6,917	12,774
	<u>(234,789)</u>	<u>(226,528)</u>
Total share of retained profits from associate		
Realised	15,562	12,008
Unrealised	(378)	(378)
	<u>(219,605)</u>	<u>(214,898)</u>
Total share of retained profits from joint venture		
Realised	12,614	13,046
	<u>(206,991)</u>	<u>(201,852)</u>
Less : Consolidated adjustments	5,446	2,711
Total accumulated losses as per statements of financial position	<u>(201,545)</u>	<u>(199,141)</u>

Batu Caves, Selangor
27 February 2014

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