

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

Quarterly report on consolidated results for the quarter ended 30 June 2014  
The figures have not been audited

The Directors are pleased to announce the following:

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

|  | Note | Individual quarter ended<br>30/06/2014<br>RM'000 | 30/06/2013<br>RM'000 | Cumulative quarter ended<br>30/06/2014<br>RM'000 | 30/06/2013<br>RM'000 |
|--|------|--|----------------------|--|----------------------|
| Revenue  | 8    | 85,340   | 67,490               | 85,340   | 67,490               |
| Cost of sales  |      | (80,219)   | (61,114)             | (80,219)   | (61,114)             |
| <b>Gross profit</b>  |      | <u>5,121</u>                                     | <u>6,376</u>         | <u>5,121</u>                                     | <u>6,376</u>         |
| <b>Other items of income</b>   |      |  |                      |  |                      |
| Other income   |      | 850  | 3,616                | 850  | 3,616                |
| <b>Other items of expense</b>  |      |  |                      |  |                      |
| Selling and marketing expenses   |      | (2,466)  | (2,177)              | (2,466)  | (2,177)              |
| Administrative and other expenses  |      | (5,092)  | (9,314)              | (5,092)  | (9,314)              |
| Finance costs  |      | (831)  | (1,011)              | (831)  | (1,011)              |
| Share of results of associates   |      | 1,941  | 242                  | 1,941  | 242                  |
| Share of results of joint ventures   |      | (364)  | 4,135                | (364)  | 4,135                |
| <b>(Loss)/Profit before tax</b>  |      | <u>(841)</u>                                     | <u>1,867</u>         | <u>(841)</u>                                     | <u>1,867</u>         |
| Income tax expense   | 18   | (421)  | (414)                | (421)  | (414)                |
| <b>(Loss)/Profit net of tax</b>  |      | <u>(1,262)</u>                                   | <u>1,453</u>         | <u>(1,262)</u>                                   | <u>1,453</u>         |
| <b>Other comprehensive income for the period, net of tax</b>               |      |  |                      |  |                      |
| Foreign currency translation   |      | (769)  | (772)                | (769)  | (772)                |
| <b>Total comprehensive (loss)/income for the period</b>                    |      | <u>(2,031)</u>                                   | <u>681</u>           | <u>(2,031)</u>                                   | <u>681</u>           |
| <b>(Loss)/Profit attributable to:</b>                                      |      |  |                      |  |                      |
| Owners of the parent   |      | (1,349)  | 1,473                | (1,349)  | 1,473                |
| Non-controlling interest   |      | 87   | (20)                 | 87   | (20)                 |
|  |      | <u>(1,262)</u>                                   | <u>1,453</u>         | <u>(1,262)</u>                                   | <u>1,453</u>         |
| <b>Total comprehensive (loss)/income attributable to:</b>                  |      |  |                      |  |                      |
| Owners of the parent   |      | (2,118)  | 701                  | (2,118)  | 701                  |
| Non-controlling interest   |      | 87   | (20)                 | 87   | (20)                 |
|  |      | <u>(2,031)</u>                                   | <u>681</u>           | <u>(2,031)</u>                                   | <u>681</u>           |
| <b>(Loss)/Earning per share attributable to owners of the parent (sen)</b> |      |  |                      |  |                      |
| Basic  | 24   | <u>(0.58)</u>                                    | <u>0.64</u>          | <u>(0.58)</u>                                    | <u>0.64</u>          |

Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2014.

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

|  | Note | As at<br>30/06/2014<br>RM'000 | As at<br>31/03/2014<br>RM'000<br>Audited |
|--|------|-------------------------------|--|
| <b>ASSETS</b>                                |      |                               |  |
| <b>Non-current assets</b>                    |      |                               |  |
| Property, plant and equipment                | 9    | 97,514                        | 97,956                                   |
| Investment properties                        |      | 254                           | 257                                      |
| Investments in associates                    |      | 20,230                        | 19,709                                   |
| Investments in joint ventures                |      | 7,882                         | 8,245                                    |
| Other investments                            |      | 314                           | 226                                      |
| Trade receivables                            |      | 14,687                        | 13,218                                   |
| Deferred tax assets                          |      | 484                           | 479                                      |
|  |      | 141,365                       | 140,090                                  |
| <b>Current assets</b>                        |      |                               |  |
| Inventories                                  |      | 30,533                        | 38,539                                   |
| Trade and other receivables                  |      | 195,711                       | 199,101                                  |
| Gross amount due from customers for contract |      | 52,593                        | 24,612                                   |
| Other investments                            |      | 89                            | 89                                       |
| Other current assets                         |      | 1,757                         | 1,466                                    |
| Income tax recoverable                       |      | 3,075                         | 3,359                                    |
| Cash and bank balances                       |      | 28,896                        | 34,023                                   |
|  |      | 312,654                       | 301,189                                  |
| <b>Total assets</b>                          |      | 454,019                       | 441,279                                  |
| <b>EQUITY AND LIABILITIES</b>                |      |                               |  |
| <b>Current liabilities</b>                   |      |                               |  |
| Defined benefit plan                         |      | 84                            | 1,397                                    |
| Loans and borrowings                         | 21   | 61,084                        | 52,979                                   |
| Trade and other payables                     |      | 270,277                       | 252,920                                  |
| Gross amount due to customers for contract   |      | 16,113                        | 19,326                                   |
| Provisions                                   |      | 815                           | 1,138                                    |
| Income tax payable                           |      | 1,042                         | 52                                       |
|  |      | 349,415                       | 327,812                                  |
| <b>Net current liabilities</b>               |      | (36,761)                      | (26,623)                                 |

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

|  | Note | As at<br>30/06/2014<br>RM'000 | As at<br>31/03/2014<br>RM'000<br>Audited |
|--|------|-------------------------------|--|
| <b>Non-current liabilities</b>   |      |                               |  |
| Defined benefit plan   |      | 11,384                        | 10,056                                   |
| Loans and borrowings   | 21   | 87                            | -  |
| Deferred tax liabilities   |      | 102                           | 137                                      |
| Trade payables   |      | 7,820                         | 16,032                                   |
|  |      | 19,393                        | 26,225                                   |
| <b>Total liabilities</b>   |      | 368,808                       | 354,037                                  |
| <b>Net Assets</b>  |      | 85,211                        | 87,242                                   |
| <b>Equity attributable to owners of the parent:</b>                                |      |                               |  |
| Share capital  |      | 231,633                       | 231,633                                  |
| Treasury shares  |      | (1,905)                       | (1,905)                                  |
| Reserves   |      | (155,858)                     | (153,740)                                |
|  |      | 73,870                        | 75,988                                   |
| Non-controlling interest   |      | 11,341                        | 11,254                                   |
| <b>Total equity</b>  |      | 85,211                        | 87,242                                   |
| <b>Total equity and liabilities</b>  |      | 454,019                       | 441,279                                  |
| Net Assets Per Share Attributable To Ordinary Equity<br>Holders of the Parent (RM) |      | 0.37                          | 0.38                                     |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2014.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

|                                 | Attributable to Equity Holders of the Parent |               |                            |                     |                              |               |                 |                    |         | Non-controlling Interest | Total Equity |
|---------------------------------|--|---------------|----------------------------|---------------------|------------------------------|---------------|-----------------|--------------------|---------|--------------------------|--------------|
|                                 | Non-Distributable                            |               |                            |                     |                              | Distributable |                 |                    |         |                          |              |
|                                 | Share Capital                                | Share Premium | Capital Redemption Reserve | Revaluation Reserve | Exchange Translation Reserve | Other Reserve | Treasury Shares | Accumulated Losses | Total   |                          |              |
| 2015                            | RM'000                                       | RM'000        | RM'000                     | RM'000              | RM'000                       | RM'000        | RM'000          | RM'000             | RM'000  | RM'000                   | RM'000       |
| <b>At 1 April 2014</b>          | 231,633                                      | 108,138       | 90                         | -                   | 7,406                        | 29,272        | (1,905)         | (298,646)          | 75,988  | 11,254                   | 87,242       |
| Total comprehensive income      | -  | -             | -                          | -                   | (769)                        | -             | -               | (1,349)            | (2,118) | 87                       | (2,031)      |
| <b>Transaction with owners:</b> |  |               |                            |                     |                              |               |                 |                    |         |                          |              |
| Dividends on ordinary shares    | -  | -             | -                          | -                   | -                            | -             | -               | -                  | -       | -                        | -            |
| Total transaction with owners   | -  | -             | -                          | -                   | -                            | -             | -               | -                  | -       | -                        | -            |
| <b>At 30 June 2014</b>          | 231,633                                      | 108,138       | 90                         | -                   | 6,637                        | 29,272        | (1,905)         | (299,995)          | 73,870  | 11,341                   | 85,211       |

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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           |                           |                              |                 |                          |              |
| 2014                                 | Share Capital<br>RM'000                      | Share Premium<br>RM'000 | Capital Redemption Reserve<br>RM'000 | Revaluation Reserve<br>RM'000 | Exchange Translation Reserve<br>RM'000 | Other Reserve<br>RM'000 | Treasury Shares<br>RM'000 | Accumulated Losses<br>RM'000 | Total<br>RM'000 | RM'000                   | RM'000       |
| <b>At 1 April 2013</b>               | 231,633                                      | 108,138                 | 90                                   | -                             | (1,516)                                | 29,272                  | (1,905)                   | (203,829)                    | 161,883         | 10,944                   | 172,827      |
| Total comprehensive loss             | -  | -                       | -                                    | -                             | (772)                                  | -                       | -                         | 1,473                        | 701             | (20)                     | 680          |
| <b>Transactions with owners:</b>     |  |                         |                                      |                               |  |                         |                           |                              |                 |                          |              |
| Share of associate's capital reserve | -  | -                       | -                                    | -                             | -                                      | -                       | -                         | -                            | -               | -                        | -            |
| Dividends on ordinary shares         | -  | -                       | -                                    | -                             | -                                      | -                       | -                         | -                            | -               | -                        | -            |
| Total transactions with owners       | -  | -                       | -                                    | -                             | -                                      | -                       | -                         | -                            | -               | -                        | -            |
| <b>At 30 June 2013</b>               | 231,633                                      | 108,138                 | 90                                   | -                             | (2,288)                                | 29,272                  | (1,905)                   | (202,356)                    | 162,583         | 10,924                   | 173,507      |

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 2014.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|   | <b>3 months to<br/>30/06/2014<br/>RM'000</b> | <b>3 months to<br/>30/06/2013<br/>RM'000</b> |
|---|--|--|
| <b>Operating activities</b>   |  |  |
| <b>(Loss)/Profit before tax</b>                                       | (841)  | 1,867  |
| Adjustments for:  |  |  |
| Interest income   | (55)   | (49)   |
| Net impairment losses on financial assets                             | (432)  | (967)  |
| Depreciation of property, plant and equipment                         | 1,561  | 1,703  |
| (Gain)/Loss on disposal of property, plant and equipment              | (109)  | (28)   |
| Interest expense  | 831  | 1,112  |
| (Decrease)/Increase in liabilities for retirement benefit obligations | 22   | 219  |
| Share of results of associates  | (1,941)                                      | (242)  |
| Share of results of joint venture                                     | 364  | (4,135)                                      |
| <b>Operating cash flows before changes in working capital</b>         | <u>(600)</u>                                 | <u>(520)</u>                                 |
| <b>Changes in working capital</b>                                     |  |  |
| Net changes in current assets   | (6,165)                                      | 12,518                                       |
| Net changes in current liabilities                                    | (2,244)                                      | (35,590)                                     |
| Cash flows used in operations   | <u>(9,009)</u>                               | <u>(23,592)</u>                              |
| Retirement benefit paid   | -  | (8)  |
| Tax paid  | (2,681)                                      | (747)  |
| Net cash flows used in operating activities                           | <u>(11,690)</u>                              | <u>(24,347)</u>                              |
| <b>Investing activities</b>   |  |  |
| Interest received   | 55   | 49   |
| Purchase of property, plant and equipment                             | (285)  | (438)  |
| Proceeds from disposal of property, plant and equipment               | 38   | 62   |
| Received from joint venture   | -  | 1,560  |
| Net cash flows generated from investing activities                    | <u>(192)</u>                                 | <u>1,233</u>                                 |
| <b>Financing activities</b>   |  |  |
| Interest paid   | (831)  | (1,112)                                      |
| Net (repayments of)/proceeds from loans and borrowings                | 1,786  | 1,667  |
| Net cash flows (used in)/generated from financing activities          | <u>955</u>                                   | <u>555</u>                                   |
| <b>Net (decrease)/increase in cash and cash equivalents</b>           | (10,927)                                     | (22,559)                                     |
| <b>Effects of exchange rate changes on cash and cash equivalents</b>  | (576)  | 26   |
| <b>Cash and cash equivalent at beginning of year</b>                  | 28,428                                       | 52,459                                       |
| <b>Cash and cash equivalents at end of financial period</b>           | <u><u>16,925</u></u>                         | <u><u>29,926</u></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:

|  | <b>3 months to<br/>30/06/2014<br/>RM'000</b> | <b>3 months to<br/>30/06/2013<br/>RM'000</b> |
|--|--|--|
| Deposits placed with licensed banks                  | 4,371  | 8,412  |
| Cash and bank balances                               | 24,525                                       | 27,430                                       |
| Total cash and bank balances                         | <u>28,896</u>                                | <u>35,842</u>                                |
| Bank overdrafts                                      | (11,971)                                     | (5,916)                                      |
| Cash and cash equivalents at end of financial period | <u><b>16,925</b></u>                         | <u><b>29,926</b></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 2014.

**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 2014. 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 2014.

**2. Qualification of Financial Statement**

The auditors' report on the financial statements for the year ended 31 March 2014 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 June 2014.

**5. Changes In Estimates**

There were no material changes in estimates of amounts 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 June 2014, 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 June 2014**

|                                    | Construction<br>RM'000 | Manufacturing<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|------------------------------------|------------------------|-------------------------|-----------------------|------------------------|
| <b>Segment Revenue</b>             |                        |                         |                       |                        |
| Revenue from external customers    | 47,236                 | 38,104                  | -                     | 85,340                 |
| Inter-segment revenue              | 5,178                  | 478                     | (5,656)               | -                      |
| Total revenue                      | <u>52,414</u>          | <u>38,582</u>           | <u>(5,656)</u>        | <u>85,340</u>          |
| <b>Segment results</b>             | <u>(3,615)</u>         | <u>(691)</u>            | <u>1,869</u>          | <u>(2,437)</u>         |
| Other income                       |                        |                         |                       | 850                    |
| Finance costs                      |                        |                         |                       | (831)                  |
| Share of results of associates     |                        |                         |                       | 1,941                  |
| Share of results of joint ventures |                        |                         |                       | (364)                  |
| Income tax expense                 |                        |                         |                       | (421)                  |
| <b>Loss for the period</b>         |                        |                         |                       | <u>(1,262)</u>         |

Cumulative Quarter  
**30 June 2013**

|                                    | Construction<br>RM'000 | Manufacturing<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|------------------------------------|------------------------|-------------------------|-----------------------|------------------------|
| <b>Segment Revenue</b>             |                        |                         |                       |                        |
| Revenue from external customers    | 39,338                 | 28,152                  | -                     | 67,490                 |
| Inter-segment revenue              | 931                    | 4,513                   | (5,444)               | -                      |
| Total revenue                      | <u>40,269</u>          | <u>32,665</u>           | <u>(5,444)</u>        | <u>67,490</u>          |
| <b>Segment results</b>             | <u>(5,730)</u>         | <u>(1,285)</u>          | <u>1,900</u>          | <u>(5,115)</u>         |
| 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)                  |
| <b>Profit for the period</b>       |                        |                         |                       | <u>1,453</u>           |

**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 annual financial statements for the year ended 31 March 2014.

**10. Material Subsequent Events**

There were no significant 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 during the quarter under review.

**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 2014.

**13. Review of Performance of the Group**

**CURRENT QUARTER vs. CORRESPONDING QUARTER**

|                                    | <b>30/06/2014</b>     | <b>30/06/2013</b>     | <b>Variance</b> |          |
|------------------------------------|-----------------------|-----------------------|-----------------|----------|
|                                    | <b>RM'000</b>         | <b>RM'000</b>         | <b>RM'000</b>   | <b>%</b> |
| <b>Segmental Turnover</b>          |                       |                       |                 |          |
| Construction                       | 52,414                | 40,269                | 12,145          | 30       |
| Manufacturing                      | 38,582                | 32,665                | 5,917           | 18       |
|                                    | <u>90,996</u>         | <u>72,934</u>         |                 |          |
| Inter-segment                      | (5,656)               | (5,444)               |                 |          |
|                                    | <u><b>85,340</b></u>  | <u><b>67,490</b></u>  | 17,850          | 26       |
| <b>Pre-tax (loss)/profit</b>       |                       |                       |                 |          |
| Construction                       | (3,038)               | (2,218)               | (820)           | (37)     |
| Manufacturing                      | 620                   | (292)                 | 912             | >100     |
|                                    | <u><b>(2,418)</b></u> | <u><b>(2,510)</b></u> |                 |          |
| Share of results of associates     | 1,941                 | 242                   | 1,699           | >100     |
| Share of results of joint ventures | (364)                 | 4,135                 | (4,499)         | >(100)   |
|                                    | <u><b>(841)</b></u>   | <u><b>1,867</b></u>   | (2,708)         | >(100)   |

For the current quarter under review, the Group recorded higher revenue of RM85.3 million but recorded a pre-tax loss of RM0.8 million, as compared to revenue of RM67.5 million and pre-tax profit of RM1.9 million in the corresponding quarter.

Increase in revenue was mainly due to improvement in work progress for the existing projects under Construction division and higher turnover registered for the Singapore Downtown Line project under Manufacturing division. However, the Group had recorded a pre-tax loss due to losses in a joint venture compared to profit in the corresponding quarter.

**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**14. Variation of Results Against Preceding Quarter**

**CURRENT QUARTER vs. PRECEDING QUARTER**

|                                   | 30/06/2014     | 31/03/2014       | Variance |      |
|-----------------------------------|----------------|------------------|----------|------|
|                                   | RM'000         | RM'000           | RM'000   | %    |
| <b>Segmental Turnover</b>         |                |                  |          |      |
| Construction                      | 52,414         | 86,356           | (33,942) | (39) |
| Manufacturing                     | 38,582         | 32,597           | 5,985    | 18   |
|                                   | 90,996         | 118,953          |          |      |
| Inter-segment                     | (5,656)        | (21,028)         |          |      |
|                                   | <b>85,340</b>  | <b>97,925</b>    | (12,585) | (13) |
| <b>Pre-tax loss</b>               |                |                  |          |      |
| Construction                      | (3,038)        | (85,711)         | 82,673   | 96   |
| Manufacturing                     | 620            | (13,693)         | 14,313   | >100 |
|                                   | <b>(2,418)</b> | <b>(99,404)</b>  |          |      |
| Share of results of associates    | 1,941          | (6,520)          | 8,461    | >100 |
| Share of results of joint venture | (364)          | (1,294)          | 930      | 72   |
|                                   | <b>(841)</b>   | <b>(107,218)</b> | 106,377  | >100 |

The Group recorded revenue of RM85.3 million in the current quarter as compared to RM97.9 million in the immediate preceding quarter, representing Q.o.Q decrease by 13%. The decrease was mainly attributable to lower turnover registered at the Construction Division.

The Group recorded a lower pre-tax loss of RM0.8 million as compared to a pre-tax loss of RM107.2 million in the immediate preceding quarter. The higher pre-tax losses in the preceding quarter were mainly due to one-off impairment of Goodwill and Property, Plant & Equipment.

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

Going forward, despite the challenging operating environment, the Group expects to gradually improve its financial performance, anchored by its order book of RM0.7 billion for both the Construction and Manufacturing divisions. The management would continue to seek for infrastructure projects both in Malaysia and abroad, leveraging on the strength of its parent company, AlloyMtd Group, which has presence across Asia and Middle East. The Management of the Group will remain vigilant in monitoring and controlling cost to ensure profitability of existing projects. Barring any unforeseen circumstances, the Group expects a modest recovery ahead.

**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. (Loss) Before Tax**

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

|   | <b>Individual quarter<br/>ended<br/>30/06/2014<br/>RM'000</b> | <b>Cumulative quarter<br/>ended<br/>30/06/2014<br/>RM'000</b> |
|---|---|---|
| Interest income   | (55)  | (55)  |
| Other income  | (35)  | (35)  |
| Interest expense  | 831   | 831   |
| Depreciation of property, plant and<br>equipment            | 1,561   | 1,561   |
| Provision for doubtful debts                                | 103   | 103   |
| Bad debts written off                                       | -   | -   |
| Bad debts written back                                      | (535)   | (535)   |
| Provision of slow moving stocks                             | -   | -   |
| Inventories written off                                     | -   | -   |
| (Gain)/Loss on disposal of quoted<br>investment             | -   | -   |
| (Gain)/Loss on disposal of unquoted<br>investment           | -   | -   |
| (Gain)/Loss on disposal of property,<br>plant and equipment | (109)   | (109)   |
| Net impairment of assets                                    | -   | -   |
| (Gain)/Loss of foreign exchange                             | (116)   | (116)   |

**18. Income Tax Benefit/(Expense)**

|                            | <b>Individual quarter ended</b> |                   | <b>Cumulative quarter ended</b> |                   |
|----------------------------|---------------------------------|-------------------|---------------------------------|-------------------|
|                            | <b>30/06/2014</b>               | <b>30/06/2013</b> | <b>30/06/2014</b>               | <b>30/06/2013</b> |
|                            | <b>RM'000</b>                   | <b>RM'000</b>     | <b>RM'000</b>                   | <b>RM'000</b>     |
| Current period's provision | (421)                           | (414)             | (421)                           | (414)             |

The effective tax rate for the current quarter was higher than the statutory tax rate due to tax instalments recognised in Comprehensive Income.

**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 but not completed during the current financial quarter.

**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**21. Borrowings and Debts Securities**

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

|                              | <b>As at<br/>30/06/2014<br/>RM'000</b> | <b>As at<br/>30/06/2013<br/>RM'000</b> |
|------------------------------|--|--|
| <b>Short term borrowings</b> |  |  |
| Secured                      | 52,579                                 | 50,887                                 |
| Unsecured                    | 8,505                                  | 9,674                                  |
|                              | <u>61,084</u>                          | <u>60,561</u>                          |
| <b>Long term borrowings</b>  |  |  |
| Secured                      | 87                                     | 119                                    |
|                              | <u>61,171</u>                          | <u>60,680</u>                          |

**22. Material Litigation**

There were no significant changes in material litigation since the last annual statement of financial position as at 31 March 2014.

**23. Dividend Payable**

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

**24. (Loss)/Earning per Share**

a) Basic

Basic (loss)/earning 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.

|   | <b>Individual quarter ended</b> |                   | <b>Cumulative quarter ended</b> |                   |
|---|---------------------------------|-------------------|---------------------------------|-------------------|
|   | <b>30/06/2014</b>               | <b>30/06/2013</b> | <b>30/06/2014</b>               | <b>30/06/2013</b> |
|   | <b>RM'000</b>                   | <b>RM'000</b>     | <b>RM'000</b>                   | <b>RM'000</b>     |
| (Loss)/profit net of tax attributable to owners of the parent | (1,349)                         | 1,473             | (1,349)                         | 1,473             |
|   | <hr/>                           |                   | <hr/>                           |                   |
|   | <b>Individual quarter ended</b> |                   | <b>Cumulative quarter ended</b> |                   |
|   | <b>30/06/2014</b>               | <b>30/06/2013</b> | <b>30/06/2014</b>               | <b>30/06/2013</b> |
|   | <b>'000</b>                     | <b>'000</b>       | <b>'000</b>                     | <b>'000</b>       |
| Weighted average number of ordinary shares in issue           | 230,996                         | 230,996           | 230,996                         | 230,996           |
|   | <hr/>                           |                   | <hr/>                           |                   |
|   | <b>Individual quarter ended</b> |                   | <b>Cumulative quarter ended</b> |                   |
|   | <b>30/06/2014</b>               | <b>30/06/2013</b> | <b>30/06/2014</b>               | <b>30/06/2013</b> |
| Basic earnings/(loss) per share (sen)                         | (0.58)                          | 0.64              | (0.58)                          | 0.64              |
|   | <hr/>                           |                   | <hr/>                           |                   |

**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**25. Disclosure of Realised and Unrealised Accumulated Losses**

|  | <b>As at<br/>30/06/2014<br/>RM'000</b> | <b>As at<br/>31/03/2014<br/>RM'000</b> |
|--|--|--|
| Total accumulated losses of the Company and the subsidiaries:    |  |  |
| Realised   | (337,810)                              | (336,548)                              |
| Unrealised   | 22,278                                 | 11,098                                 |
|  | <u>(315,532)</u>                       | <u>(325,450)</u>                       |
| Total share of retained profits from associate                   |  |  |
| Realised   | 12,404                                 | 10,463                                 |
| Unrealised   | (1,799)                                | -                                      |
|  | <u>(304,927)</u>                       | <u>(314,987)</u>                       |
| Total share of retained profits from joint venture               |  |  |
| Realised   | 4,775                                  | 6,280                                  |
|  | <u>(300,152)</u>                       | <u>(308,707)</u>                       |
| Less : Consolidated adjustments                                  | 157                                    | 10,061                                 |
| Total accumulated losses as per statements of financial position | <u>(299,995)</u>                       | <u>(298,646)</u>                       |

Batu Caves, Selangor  
29 August 2014

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