

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

Quarterly report on consolidated results for the quarter ended 30 September 2016
The figures have not been audited

The Directors are pleased to announce the following:

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Individual quarter ended		Cumulative quarter ended	
		30/9/2016 RM'000	30/9/2015 RM'000	30/9/2016 RM'000	30/9/2015 RM'000
Revenue	8	68,336	56,566	128,467	106,318
Cost of sales		(63,697)	(51,535)	(122,989)	(100,484)
Gross profit		<u>4,639</u>	<u>5,031</u>	<u>5,478</u>	<u>5,834</u>
Other items of income					
Other income		12,347	6,460	14,552	7,696
Other items of expense					
Selling and marketing expenses		(1,548)	(2,480)	(3,581)	(3,727)
Administrative and other expenses		(6,694)	(7,694)	(12,934)	(12,638)
Finance costs		(1,911)	(170)	(3,755)	(1,946)
Share of results of associates		1,441	(762)	901	(1,187)
Share of results of joint ventures		-	(207)	-	470
Profit/(loss) before tax		<u>8,274</u>	<u>178</u>	<u>661</u>	<u>(5,498)</u>
Income tax expense	18	(85)	(78)	(550)	(197)
Profit/(loss) net of tax		<u>8,189</u>	<u>100</u>	<u>111</u>	<u>(5,695)</u>
Other comprehensive (loss)/ income for the period					
Foreign currency translation		(6,665)	(1,699)	(7,489)	1,839
Revaluation surplus		-	-	-	47,190
Total comprehensive income/(loss) for the period, net of tax		<u>1,524</u>	<u>(1,599)</u>	<u>(7,378)</u>	<u>43,334</u>
Profit/(loss) attributable to:					
Owners of the parent		6,397	226	(1,554)	(5,446)
Non-controlling interest		1,792	(126)	1,665	(249)
		<u>8,189</u>	<u>100</u>	<u>111</u>	<u>(5,695)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the parent		(396)	(3,327)	(9,273)	41,644
Non-controlling interest		1,920	1,728	1,895	1,690
		<u>1,524</u>	<u>(1,599)</u>	<u>(7,378)</u>	<u>43,334</u>
Earnings/(loss) per share attributable to owners of the parent (sen)					
Basic	24	<u>2.77</u>	<u>0.10</u>	<u>(0.67)</u>	<u>(2.36)</u>

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2016.

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

Quarterly report on consolidated results for the quarter ended 30 September 2016
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 30/9/2016 RM'000	As at 31/3/2016 RM'000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	9	133,995	135,021
Investments in associates		23,063	22,162
Investments in joint ventures		3,923	5,096
Other investments		190	190
Trade receivables		41,102	20,516
Deferred tax assets		2,210	962
		204,483	183,947
Current assets			
Inventories		21,746	19,284
Other investments		89	89
Trade and other receivables		181,658	190,092
Current tax assets		3,412	2,612
Cash and bank balances		43,583	77,633
		250,488	289,710
Non-current asset held for sale		-	-
		250,488	289,710
Total Assets		454,971	473,657
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables		275,032	279,884
Provisions		3,337	3,337
Borrowings	21	62,318	58,205
Current tax liabilities		465	261
		341,152	341,687
Net current liabilities		(90,664)	(51,977)

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTD.)

	Note	As at 30/9/2016 RM'000	As at 31/3/2016 RM'000 Audited
Non- current liabilities			
Trade payables		2,150	13,177
Provisions		7,615	7,723
Borrowings	21	2,443	2,080
Deferred tax liabilities		2,483	2,484
		<u>14,691</u>	<u>25,464</u>
Total Liabilities		<u>355,843</u>	<u>367,151</u>
Net Assets		<u>99,128</u>	<u>106,506</u>
Equity attributable to owners of the parent			
Share capital		231,633	231,633
Treasury shares		(1,905)	(1,905)
Reserves		186,610	194,329
Accumulated losses		(334,215)	(332,661)
		<u>82,123</u>	<u>91,396</u>
Non-controlling interests		<u>17,005</u>	<u>15,110</u>
Total equity		<u>99,128</u>	<u>106,506</u>
Total equity and liabilities		<u>454,971</u>	<u>473,657</u>
Net Assets Per Share Attributable to Ordinary Holders of the Parent (RM)		0.43	0.46

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2016.

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(Incorporated in Malaysia)

Quarterly report on consolidated results for the quarter ended 30 September 2016

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent								Non-controlling Interests	Total Equity	
	Non-Distributable				Distributable						
2017	Share Capital	Share Premium	Capital Redemption Reserve	Revaluation Reserve	Exchange Translation Reserve	Other Reserves	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
At 1 April 2016	231,633	108,138	90	47,190	9,639	29,272	(1,905)	(332,661)	91,396	15,110	106,506
Total comprehensive loss											
Net income for the period	-	-	-	-	-	-	-	(1,554)	(1,554)	1,665	111
Other comprehensive loss	-	-	-	-	(7,719)	-	-	-	(7,719)	230	(7,489)
Total comprehensive loss for the period	-	-	-	-	(7,719)	-	-	(1,554)	(9,273)	1,895	(7,378)
At 30 September 2016	231,633	108,138	90	47,190	1,920	29,272	(1,905)	(334,215)	82,123	17,005	99,128

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD.)

	Attributable to owners of the parent								Non-controlling Interests	Total Equity	
	Non-Distributable					Distributable					
	Share Capital	Share Premium	Capital Redemption Reserve	Revaluation Reserve	Foreign Currency Translation Reserve	Other Reserves	Treasury Shares	Accumulated Losses	Total		
2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 April 2015	231,633	108,138	90	-	10,139	29,272	(1,905)	(330,294)	47,073	14,565	61,638
Total comprehensive income/(loss)											
Net loss for the period	-	-	-	-	-	-	-	(5,446)	(5,446)	(249)	(5,695)
Other comprehensive income	-	-	-	47,190	(100)	-	-	-	47,090	1,939	49,029
Total comprehensive income/(loss) for the period	-	-	-	47,190	(100)	-	-	(5,446)	41,644	1,690	43,334
At 30 September 2015	231,633	108,138	90	47,190	10,039	29,272	(1,905)	(335,740)	88,717	16,255	104,972

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 2016.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	6 months to 30/9/2016 RM'000	6 months to 30/9/2015 RM'000
Operating activities		
Profit/(loss) before tax	661	(5,498)
<u>Adjustments for:</u>		
Interest income	(74)	(166)
Net impairment on financial assets	(2,363)	(8,440)
Bad debts written off	396	5,875
Reversal of overprovision on payables	0	(4,213)
Depreciation of property, plant and equipment	3,964	3,863
Gain on disposal of property, plant and equipment	(365)	(121)
Interest expense	3,755	1,946
Net changes in liabilities for retirement benefit obligations	385	488
Reversal of provision for slow moving stocks	(3,541)	0
Inventoris written off	3,774	0
Unrealised foreign exchange gain, net	(10,050)	0
Share of results of associates	(901)	1,187
Share of results of joint ventures	0	(470)
Total adjustments	(5,020)	(51)
Operating cash flows before changes in working capital	(4,359)	(5,549)
Changes in working capital		
Net change in current assets	(12,879)	(13,565)
Net change in current liabilities	(13,594)	27,189
Total changes in working capital	(26,473)	13,624
Cash flows (used in)/generated from operations	(30,832)	8,075
Retirement benefit paid	(492)	(316)
Net tax paid	(1,146)	(1,231)
Net cash flows (used in)/generated from operating activities	(32,470)	6,528

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTD.)

	6 months to 30/9/2016 RM'000	6 months to 30/9/2015 RM'000
Investing activities		
Interest received	74	166
Purchase of property, plant and equipment	(2,914)	(742)
Proceeds from disposal of property, plant and equipment	365	355
(Placement)/uplift of deposits pledged to licensed banks	(169)	5,029
Dividend received from joint venture	0	2,250
Net cash flows (used in)/ generated from investing activities	(2,644)	7,058
Financing activities		
Interest paid	(3,755)	(1,946)
Net proceeds from/(repayments of) borrowings	1,098	(1,811)
Net cash flows used in from financing activities	(2,657)	(3,757)
Net (decrease)/increase in cash and cash equivalents	(37,771)	9,829
Effects of exchange rate changes on cash and cash equivalents	174	(2,658)
Cash and cash equivalent at beginning of year	65,287	38,363
Cash and cash equivalents at end of financial period	27,690	45,534

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

	6 months to 30/9/2016 RM'000	6 months to 30/9/2015 RM'000
Deposits placed with licensed banks	6,622	6,698
Cash and bank balances	36,961	52,718
Total cash and bank balances	43,583	59,416
Bank overdrafts	(9,271)	(7,184)
Deposits pledged to licensed banks	(6,622)	(6,698)
Cash and cash equivalents at end of financial period	27,690	45,534

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2016.

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 2016. 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 2016.

2. Qualification of Financial Statement

The auditors' report on the financial statements for the financial year ended 31 March 2016 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 2016.

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.

7. Dividend Paid

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

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

8. Segmental Reporting

By Activities

Cumulative Quarter
30 September 2016

	Construction RM'000	Manufacturing RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue					
Revenue from external customers	92,699	35,768	-	-	128,467
Inter-segment revenue	602	57	3,905	(4,564)	-
Total revenue	93,301	35,825	3,905	(4,564)	128,467
Segment results	(2,582)	(6,475)	(2,193)	213	(11,037)
Other income					14,552
Finance costs					(3,755)
Share of results of associates					901
Share of results of joint ventures					-
Income tax expense					(550)
Profit for the financial period					111

Cumulative Quarter
30 September 2015

	Construction RM'000	Manufacturing RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue					
Revenue from external customers	60,711	45,607	-	-	106,318
Inter-segment revenue	3,082	3,901	3,789	(10,772)	-
Total revenue	63,793	49,508	3,789	(10,772)	106,318
Segment results	(8,330)	381	(2,640)	58	(10,531)
Other income					7,696
Finance costs					(1,946)
Share of results of associates					(1,187)
Share of results of joint ventures					470
Income tax expense					(197)
Loss for the financial period					(5,695)

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

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 2016.

10. Material Subsequent Events

There were no material subsequent events since the end of the current quarter until a date not earlier than 7 days from the date of issuance of this quarterly report except for the following:

- a) On 8 November 2016, the Company (or “MTD ACPI”) announced it had entered into a conditional share sale agreement with MTD Capital Bhd (“MTD Capital”) (“SSA”), a major shareholder of the Company, for the proposed disposal of the entire issued and paid-up share capital of Saujanika Sdn Bhd (“Saujanika”) (“Proposed Disposal”). As at 8 November 2016, the issued and paid-up share capital of Saujanika is 2 ordinary shares of RM1.00 each in Saujanika (“Saujanika Shares”) and will increase to 20,318,144 Saujanika Shares (“Sale Shares”) upon completion of the Proposed Internal Restructuring (as detailed below).

The consideration to be paid by MTD Capital for the Sale Shares was derived on a “willing-buyer willing-seller” basis and will be the sum equivalent to the unaudited combined net assets of Saujanika Group as at 30 September 2016, which is adjusted for the market value of the ACP-DMT Sdn Bhd (“ACP-DMT”) Property as appraised by Khong & Jaafar, an independent property valuer registered with the Board of Valuers, Appraisers and Estate Agents Malaysia, as at the material date of valuation of 13 October 2016.

The Proposed Disposal is a related party transaction pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Proposed Disposal is conditional upon the approval of shareholders of the Company at an Extraordinary General Meeting to be convened and completion of the Proposed Internal Restructuring, but not conversely.

Saujanika had on 8 November 2016 entered into a conditional share sale agreement with MTD ACPI, ACP Technologies Sdn Bhd, ACPI Engineering Sdn Bhd and ACP (Tracks) Sdn Bhd (collectively referred to as the “Vendors”), to undertake the Proposed Internal Restructuring exercise involving the acquisition of the entire issued and paid-up share capital of the following subsidiaries of MTD ACPI by Saujanika for a total consideration of RM20,318,142 to be satisfied by the issuance of 20,318,142 new Saujanika Shares (“Share Consideration”) to the Vendors:

Subsidiaries of MTD ACPI	Effective interest	Principal activities
ACP-DMT	100%	Manufacturing and marketing of specialty highway and safety products and providing related services
Persys Sdn Bhd (“Persys”)	100%	Construction, manufacturing and marketing of heavy element precast products for viaducts, elevated highways, highways, light rail transit guideways and bridges and construction related businesses
MTD ACP Precast Sdn Bhd (“MAP”)	100%	Manufacturing and supplying of precast concrete products
ASC Engineering Sdn Bhd (“ASCE”)	100%	Manufacturing of engineered products and providing specialist contracting services

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

10. Material Subsequent Events (contd.)

The Vendors' shareholdings in ACP-DMT, Persys, MAP and ASCE (collectively referred to as the "Target Companies"), representing the entire issued and paid up share capital of the Target Companies ("Target Companies Sale Shares"), are set out below:

Vendors	Target Companies Sale Shares			
	ACP-DMT	Persys	MAP	ASCE
	'000	'000	'000	'000
<u>Ordinary shares of RM1.00 each</u>				
MTD ACPI	1,000	33,000	380	102,500
ACP (Tracks) Sdn Bhd ⁽¹⁾	-	7,000	-	-
ACP Technologies Sdn Bhd ⁽¹⁾	-	-	-	1,000
ACPI Engineering Sdn Bhd ⁽¹⁾	-	-	-	3,900
Total	1,000	40,000	380	107,400

Non-cumulative redeemable preference shares of RM1.00 each ⁽²⁾

MTD ACPI ⁽²⁾	-	-	-	1,000
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Notes:

- (1) Wholly-owned subsidiaries of MTD ACPI.
- (2) MTD ACPI is the sole subscriber of the 1,000,000 non-cumulative redeemable preference shares ("RPS") with a subscription price of RM1.00 per RPS. The RPS (or any part thereof) will be redeemed at any time at the election of ASCE by giving a 1-month notice in writing to MTD ACPI. In the event of redemption, each RPS will be redeemed at its issue price of RM1.00 each. The RPS are not convertible into the ordinary shares of RM1.00 in ASCE. The declaration, payment, rate of dividends and redemption date of the RPS will be at the sole and absolute discretion of the directors of ASCE.

The breakdown of the Share Consideration to be issued by Saujanika to the Vendors for the acquisition of the Target Companies Sale Shares is set out below:

Vendors	No. of Saujanika Shares				Total
	ACP-DMT	Persys	MAP	ASCE	
MTD ACPI	9,186,618	6,232,067	3,577,500	1	18,996,186
ACP (Tracks) Sdn Bhd	-	1,321,954	-	-	1,321,954
ACP Technologies Sdn Bhd	-	-	-	1	1
ACPI Engineering Sdn Bhd	-	-	-	1	1
					1,321,956
Total	9,186,618	7,554,021	3,577,500	3	20,318,142

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

10. Material Subsequent Events (contd.)

Upon completion of the Proposed Internal Restructuring, the Target Companies will become wholly-owned subsidiaries of Saujanika.

As part of the Proposed Internal Restructuring, the Vendors, excluding MTD ACPI, will assign all rights, titles, benefits and interests to the Share Consideration in favour of MTD ACPI for a total assignment consideration of RM1,321,956 to be satisfied by way of creation of amount owing between MTD ACPI and the respective Vendors (“Proposed Share Assignment”). The Proposed Share Assignment will enable MTD ACPI to fulfill its obligation to deliver the Sale Shares to MTD Capital pursuant to the SSA.

- b) On 17 November 2016, MTD Construction Sdn Bhd (“MTDC”), a wholly-owned subsidiary of the Company had accepted the letter of award from Mass Rapid Transit Corporation Sdn Bhd (“MRT Corp.”) dated 17 November 2016 (“Letter of Acceptance”), awarding MTDC as “the Works Package Contractor” to undertake and complete Package V208: Construction and Completion of Viaduct Guideway and Other Associated Works from Taman Pinggiran Putra to Persiaran Alpinia (“the Works” or “Contract”) for a total contract sum of RM678,680,000.00, subject to terms and conditions as set out in the Letter of Acceptance. The Works to commence upon issuance of the Notice to Proceed to MTDC and to be completed over 66 months’ period.

MTDC is required to execute a tripartite agreement with MRT Corp. and MMC Gamuda KVMRT (PDP SSP) Sdn Bhd, the project delivery partner (“PDP”) within three (3) months from the date of the Letter of Acceptance whereby, MTDC shall accept PDP’s authority in the overall management of the Works and deal directly with the PDP on all and any matters under the Contract.

11. Changes in the Composition of the Group

- a) The Company had on 15 July 2016 acquired 100% of the issued and paid-up share capital of a shelf company, Saujanika Sdn Bhd [Company No. 1191758-K] (“SSB”), for a total cash consideration of RM2.00 only. The intended business of SSB is investment holding and it is currently dormant.
- b) On 29 July 2016, the Company had subscribed 102,500,000 ordinary shares of RM1.00 each in the share capital of ASC Engineering Sdn Bhd (“ASCE”), an indirectly wholly-owned subsidiary of the Company by way of capitalization of the amount of RM102,500,000.00 owing by ASCE to the Company as at 31 March 2016. Consequently, the Company hold 102,500,000 ordinary shares of RM1.00 each, representing 99.03% of the issued and paid up capital of ASCE.
- c) On 29 July 2016, the Company had subscribed 33,000,000 ordinary shares of RM1.00 each in the share capital of Persys Sdn. Bhd. (“PSB”), an indirect wholly-owned subsidiary of the Company by way of capitalization of the amount of RM33,000,000.00 owing by PSB to the Company as at 31 March 2016. Consequently, the Company hold 33,000,000 ordinary shares of RM1.00 each, representing 82.5% of the issued and paid up capital of PSB.
- d) On 24 August 2016, ACPI Engineering Sdn Bhd (“ACPIE”), a direct wholly-owned subsidiary of the Company, had subscribed 3,900,000 ordinary shares of RM1.00 each in the share capital of ASC Engineering Sdn Bhd (“ASCE”), an indirectly wholly-owned subsidiary of the Company by way of capitalization of the amount of RM3,900,000.00 owing by ASCE to ACPIE as at 31 March 2016. Consequently, ACPIE hold 3,900,000 ordinary shares of RM1.00 each, representing 3.63% of the issued and paid up capital of ASCE.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

12. Changes in Contingent Liabilities and Contingent Assets

There were no significant changes in both contingent liabilities and contingent assets since the financial year ended 31 March 2016.

13. Review of Performance of the Group

CURRENT QUARTER vs. CORRESPONDING QUARTER

	30/9/2016	30/9/2015	Variance	
	RM'000	RM'000	RM'000	%
Segmental Turnover				
Construction	51,842	32,586	19,256	59
Manufacturing	17,100	26,977	(9,877)	(37)
Others	1,952	1,895	57	3
	<u>70,894</u>	<u>61,458</u>		
Inter-segment	(2,558)	(4,892)	2,334	48
	<u>68,336</u>	<u>56,566</u>	11,770	21
Pre-tax profit/(loss)				
Construction	14,597	1,775	12,822	>100
Manufacturing	(1,287)	4,658	(5,945)	>(100)
Others	99,923	(1,711)	101,634	>100
	<u>113,233</u>	<u>4,722</u>		
Elimination	(106,400)	(3,575)	(102,825)	>(100)
	<u>6,833</u>	<u>1,147</u>		
Share of results of associates	1,441	(762)	2,203	>100
Share of results of joint ventures	-	(207)	207	>100
	<u>8,274</u>	<u>178</u>	8,096	>100

For the current quarter under review, the Group recorded higher revenue of RM68.3 million and pre-tax profit of RM8.3 million, as compared to revenue of RM56.6 million and pre-tax profit of RM0.2 million respectively in the corresponding quarter.

Higher revenue recorded in current quarter was mainly due to higher turnover registered in Construction division. High Group's pre-tax profit was recorded in current quarter as compared to corresponding quarter mainly due to unrealised gain on forex exchange in Construction division and higher share of associate profit.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

14. Variation of Results Against Preceding Quarter

CURRENT QUARTER vs. PRECEDING QUARTER

	30/9/2016	30/6/2016	Variance	
	RM'000	RM'000	RM'000	%
Segmental Turnover				
Construction	51,842	41,459	10,383	25
Manufacturing	17,100	18,725	(1,625)	(9)
Others	1,952	1,952	-	-
	<u>70,894</u>	<u>62,136</u>		
Inter-segment	(2,558)	(2,005)	(553)	(28)
	<u>68,336</u>	<u>60,131</u>	8,205	14
Pre-tax profit/(loss)				
Construction	14,597	(4,569)	19,166	>100
Manufacturing	(1,287)	(448)	(839)	>(100)
Others	99,923	(2,047)	101,970	>100
	<u>113,233</u>	<u>(7,064)</u>		
Elimination	(106,400)	(9)	(106,391)	>(100)
	<u>6,833</u>	<u>(7,073)</u>		
Share of results of associates	1,441	(540)	1,981	>100
Share of results of joint ventures	-	-	-	-
	<u>8,274</u>	<u>(7,613)</u>	15,887	>100

The Group recorded revenue of RM68.3 million in the current quarter as compared to RM60.1 million in the immediate preceding quarter, representing Q.o.Q increase by 14%. The increase was mainly attributable to higher turnover registered at the Construction division.

The Group recorded pre-tax profit of RM8.3 million as compared to a pre-tax loss of RM7.6 million in the immediate preceding quarter. The increase pre-tax profit in current quarter as compared to preceding quarter was mainly due to unrealised gain on forex exchange in Construction division and higher share of associate profit.

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

Going forward, the Group expects the operating environment to be challenging with the balance of its order book of RM992.1 million that need to be replenished. The management would continue to seek for infrastructure projects in Malaysia and abroad to replenish its order book, leveraging on the strength of its parent company, MTD Capital Bhd. 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.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

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.

17. Profit/(loss) Before Tax

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

	Individual quarter ended		Cumulative quarter ended	
	30/9/2016 RM'000	30/9/2015 RM'000	30/9/2016 RM'000	30/9/2015 RM'000
Interest income	(4)	(20)	(74)	(166)
Other income	(384)	(6,319)	(1,037)	(7,409)
Interest expense	1,911	170	3,755	1,946
Depreciation of property, plant and equipment	1,949	1,759	3,964	3,863
Impairment loss on trade and other receivables	443	206	443	770
Bad debts written off	396	5,875	396	5,875
Bad debts written back	(1,680)	(8,268)	(2,807)	(9,210)
Provision of slow moving stocks	(3,541)	-	(3,541)	-
Inventories written off	3,774	-	3,774	-
(Gain)/Loss on disposal of quoted investment	-	-	-	-
(Gain)/Loss on disposal of unquoted investment	-	-	-	-
(Gain)/Loss on disposal of Property, plant and equipment	(10)	105	(365)	(121)
Net impairment of assets	-	-	-	-
(Gain)/Loss on foreign exchange	(10,050)	78	(10,050)	89

18. Income Tax Expense

	Individual quarter ended		Cumulative quarter ended	
	30/9/2016 RM'000	30/9/2015 RM'000	30/9/2016 RM'000	30/9/2015 RM'000
Current period's provision	(85)	(78)	(550)	(197)

The effective tax rate for the current quarter was lower than the statutory tax rate due to unrealised gain on forex exchange were 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 was no corporate proposal announced but not completed during the current financial quarter.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

21. Borrowings and Debts Securities

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

	As at 30/9/2016 RM'000	As at 30/9/2015 RM'000
Short term borrowings		
Secured	51,345	48,868
Unsecured	10,973	9,461
	<u>62,318</u>	<u>58,329</u>
Long term borrowings		
Secured	2,443	2,398
	<u>64,761</u>	<u>60,727</u>

22. Material Litigations

There were no significant changes in material litigation since the last annual statement of financial position as at 31 March 2016.

23. Dividend Payable

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

24. Earnings/(loss) per Share

a) Basic

Basic earnings/(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	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) net of tax attributable to owners of the parent	6,397	226	(1,554)	(5,446)
	<u>Individual quarter ended</u>		<u>Cumulative quarter ended</u>	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	230,996	230,996	230,996	230,996
	<u>Individual quarter ended</u>		<u>Cumulative quarter ended</u>	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
Basic earnings/(loss) per share (sen)	2.77	0.10	(0.67)	(2.36)

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

25. Disclosure of Realised and Unrealised Accumulated Losses

	As at 30/9/2016 RM'000	As at 31/3/2016 RM'000
Total accumulated losses of the Company and the subsidiaries:		
Realised	(466,168)	(466,279)
Unrealised	118,514	13,442
	<u>(347,654)</u>	<u>(452,837)</u>
Total share of retained profits from associate:		
Realised	16,568	15,667
	<u>(331,086)</u>	<u>(437,170)</u>
Total share of accumulated losses from joint venture:		
Realised	(862)	(862)
	<u>(331,948)</u>	<u>(438,032)</u>
Less : Consolidated adjustments	(2,267)	105,371
Total accumulated losses as per statements of financial position	<u>(334,215)</u>	<u>(332,661)</u>

By Order Of The Board

Batu Caves, Selangor
24 November 2016

CHAN BEE KUAN (MAICSA 7003851)
CHEONG WEI LING (MAICSA 7009208)
Company Secretaries