

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

Quarterly report on consolidated results for the quarter ended 31 March 2017  
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	
		31/03/17 RM'000	31/03/16 RM'000	31/03/17 RM'000	31/03/16 RM'000
<b>Continuing operations</b>					
Revenue		42,498	64,154	244,290	249,545
Cost of sales		<u>(42,664)</u>	<u>(56,392)</u>	<u>(233,490)</u>	<u>(218,466)</u>
<b>Gross (loss)/profit</b>		(166)	7,762	10,800	31,079
Other income		15,092	13,045	21,243	22,124
<b>Other items of expense</b>					
Selling and marketing expenses		(468)	(509)	(4,810)	(5,770)
Administrative and other expenses		(9,242)	(18,952)	(25,341)	(35,345)
Finance costs		(2,178)	(1,421)	(7,205)	(5,131)
Share of results of associates		<u>(194)</u>	<u>148</u>	<u>923</u>	<u>(1,712)</u>
<b>Profit/(loss) before tax</b>		2,844	73	(4,390)	5,245
Income tax expense	18	<u>(678)</u>	<u>(1,816)</u>	<u>(3,741)</u>	<u>(1,828)</u>
<b>Profit/(loss) from continuing operations</b>		2,166	(1,743)	(8,131)	3,417
<b>Discontinued operations</b>					
(Loss)/profit from discontinued operations, net of tax		<u>(7,215)</u>	<u>3,601</u>	<u>3,302</u>	<u>(6,727)</u>
<b>(Loss)/profit for the year</b>		<u>(5,049)</u>	<u>1,858</u>	<u>(4,829)</u>	<u>(3,310)</u>
<b>Other comprehensive (loss)/ income for the year, net of tax</b>					
Foreign currency translations		(4,683)	(1,704)	(15,241)	(694)
Revaluation surplus		-	-	-	47,190
Actuarial (loss)/gain on retirement benefit		(1,341)	1,276	(1,328)	1,276
Fair value gain on available-for-sale financial assets		7	-	7	-
Reclassification adjustments upon disposal of subsidiaries		22,415	-	22,415	-
Share of other comprehensive income of joint ventures		58	406	58	406
<b>Total comprehensive income for the year, net of tax</b>		<u>11,407</u>	<u>1,836</u>	<u>1,082</u>	<u>44,868</u>
<b>(Loss)/profit attributable to:</b>					
Owners of the parent		(5,318)	1,515	(7,089)	(3,643)
Non-controlling interest		<u>269</u>	<u>343</u>	<u>2,260</u>	<u>333</u>
		<u>(5,049)</u>	<u>1,858</u>	<u>(4,829)</u>	<u>(3,310)</u>

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(Incorporated in Malaysia)

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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTD.)**

	Note	Individual quarter ended		Cumulative quarter ended	
		31/03/17 RM'000	31/03/16 RM'000	31/03/17 RM'000	31/03/16 RM'000
<b>Total comprehensive income attributable to :</b>					
Owners of the parent		11,523	2,814	(1,912)	44,323
Non-controlling interest		(116)	(978)	2,994	545
		<u>11,407</u>	<u>1,836</u>	<u>1,082</u>	<u>44,868</u>
<b>Basic (loss)/earnings per share attributable to owners of the parent (sen)</b>					
from continuing operations	24	0.82	(0.90)	(4.50)	1.34
from discontinued operations	24	<u>(3.12)</u>	<u>1.56</u>	<u>1.43</u>	<u>(2.91)</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.

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As at 31/3/2017 RM'000	As at 31/3/2016 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	115,656	135,021
Investments in associates		23,085	22,162
Investments in joint ventures		-	5,096
Other investments		162	190
Trade receivables		24,561	20,516
Deferred tax assets		2,180	962
		<u>165,644</u>	<u>183,947</u>
<b>Current assets</b>			
Inventories		21,503	19,284
Other investments		90	89
Trade and other receivables		216,250	190,092
Current tax assets		2,947	2,612
Cash and bank balances		28,716	77,633
		<u>269,506</u>	<u>289,710</u>
<b>Total Assets</b>		<u>435,150</u>	<u>473,657</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		251,554	279,884
Provisions		3,216	3,337
Borrowings	21	52,342	58,205
Current tax liabilities		2,097	261
		<u>309,209</u>	<u>341,687</u>
Net current liabilities		(39,703)	(51,977)

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTD.)**

	Note	As at 31/3/2017 RM'000	As at 31/3/2016 RM'000
<b>Non- current liabilities</b>			
Trade payables		8,487	13,177
Provisions		7,307	7,723
Borrowings	21	66	2,080
Deferred tax liabilities		2,493	2,484
		<u>18,353</u>	<u>25,464</u>
<b>Total Liabilities</b>		<u>327,562</u>	<u>367,151</u>
<b>Net Assets</b>		<u>107,588</u>	<u>106,506</u>
<b>Equity attributable to owners of the parent</b>			
Share capital		339,861	231,633
Treasury shares		(1,905)	(1,905)
Reserves		92,491	194,329
Accumulated losses		(340,963)	(332,661)
		<u>89,484</u>	<u>91,396</u>
Non-controlling interests		<u>18,104</u>	<u>15,110</u>
<b>Total equity</b>		<u>107,588</u>	<u>106,506</u>
<b>Total equity and liabilities</b>		<u>435,150</u>	<u>473,657</u>
Net Assets Per Share Attributable to Ordinary Holders of the Parent (RM)		0.47	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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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the parent								Non-controlling Interests	Total Equity	
	Non-Distributable										
	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
<b>2017</b>											
<b>At 1 April 2016</b>	231,633	108,138	90	47,190	9,639	29,272	(1,905)	(332,661)	91,396	15,110	106,506
<b>Adjustments for effects of Companies Act 2016 (Note a)</b>	108,228	(108,138)	(90)	-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>											
Net (loss)/profit for the year	-	-	-	-	-	-	-	(7,089)	(7,089)	2,260	(4,829)
Reclassification adjustment upon disposal of subsidiaries	-	-	-	-	22,415	(108)	-	108	22,415	-	22,415
Other comprehensive (loss)/income	-	-	-	-	(15,917)	-	-	(1,321)	(17,238)	734	(16,504)
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	6,498	(108)	-	(8,302)	(1,912)	2,994	1,082
<b>At 31 March 2017</b>	339,861	-	-	47,190	16,137	29,164	(1,905)	(340,963)	89,484	18,104	107,588

**Note a**

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium and capital redemption reserve accounts of RM108,138,000 and RM90,000 respectively, has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium and capital redemption reserve within 24 months after the commencement of the New Act.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD.)**

	Attributable to owners of the parent								Non-controlling Interests	Total Equity	
	Capital				Exchange						
	Share Capital	Share Premium	Capital Redemption Reserve	Revaluation Reserve	Exchange 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	RM'000
<b>At 1 April 2015</b>	231,633	108,138	90	-	10,139	29,272	(1,905)	(330,294)	47,073	14,565	61,638
<b>Total comprehensive income/(loss)</b>											
Net (loss)/profit for the year	-	-	-	-	-	-	-	(3,643)	(3,643)	333	(3,310)
Other comprehensive income	-	-	-	47,190	(500)	-	-	1,276	47,966	212	48,178
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	47,190	(500)	-	-	(2,367)	44,323	545	44,868
<b>At 31 March 2016</b>	231,633	108,138	90	47,190	9,639	29,272	(1,905)	(332,661)	91,396	15,110	106,506

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**

	<b>12 months to 31/3/2017 RM'000</b>	<b>12 months to 31/3/2016 RM'000</b>
<b>Operating activities</b>		
<b>(Loss)/Profit before tax</b>		
From continuing operations	(4,390)	5,245
From discontinued operations	4,192	(6,718)
	<b>(198)</b>	<b>(1,473)</b>
<b>Adjustments for:</b>		
Interest income	(103)	(764)
Net impairment on financial assets	(1,403)	6,729
Bad debts written off	745	85
Depreciation of property, plant and equipment	7,859	7,653
Gain on disposal of property, plant and equipment	(4,775)	(5,150)
Property, plant and equipment written off	-	108
Net fair value adjustment	4,851	(1,699)
Provisions	-	(3,846)
Interest expense	8,067	5,711
Net changes in liabilities for retirement benefit obligations	480	1,024
Gain on disposal of investments in subsidiaries	(12,856)	-
Inventories written off	3,854	1,132
Inventories written back	-	(36)
Unrealised foreign exchange (gain)/loss, net	(17,382)	910
Share of results of associates	923	1,712
Share of results of joint ventures	(13)	(1,316)
Total adjustments	(9,753)	12,253
<b>Operating cash flows before changes in working capital</b>	<b>(9,951)</b>	<b>10,780</b>
<b>Changes in working capital</b>		
Net change in current assets	(32,017)	(380)
Net change in current liabilities	(14,572)	(13,242)
Total changes in working capital	(46,589)	(13,622)
<b>Cash flows used in operations</b>	<b>(56,540)</b>	<b>(2,842)</b>

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTD.)**

	<b>12 months to 31/3/2017 RM'000</b>	<b>12 months to 31/3/2016 RM'000</b>
<b>Cash flows used in operations (continued)</b>	<b>(56,540)</b>	<b>(2,842)</b>
Retirement benefit paid	(1,043)	(1,440)
Net tax paid	(4,338)	(1,930)
<b>Net cash used in operating activities</b>	<b>(61,921)</b>	<b>(6,212)</b>
<b>Cash flows from investing activities</b>		
Advances from immediate holding company	-	12,108
Interest received	103	184
Purchase of property, plant and equipment	(4,164)	(2,161)
Proceeds from disposal of property, plant and equipment	5,328	14,918
Proceeds from disposal of investment in subsidiary	14,817	-
Uplift of deposits pledged to licensed banks	4,693	5,274
Dividend received from joint venture	-	5,690
<b>Net cash flows generated from investing activities</b>	<b>20,777</b>	<b>36,013</b>
<b>Cash flows from financing activities</b>		
Interest paid	(5,967)	(3,643)
Net proceeds from borrowings	2,291	1,539
<b>Net cash flows used in financing activities</b>	<b>(3,676)</b>	<b>(2,104)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(44,820)</b>	<b>27,697</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>734</b>	<b>(773)</b>
<b>Cash and cash equivalent at beginning of year</b>	<b>65,287</b>	<b>38,363</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>21,201</b>	<b>65,287</b>



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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTD.)**

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

	<b>12 months to 31/3/2017 RM'000</b>	<b>12 months to 31/3/2016 RM'000</b>
Cash and bank balances	27,077	71,180
Deposits with licensed banks	1,639	6,453
<b>Total cash and bank balances</b>	<b>28,716</b>	<b>77,633</b>
Bank overdrafts	(5,876)	(5,893)
Deposits pledged to licensed banks	(1,639)	(6,453)
<b>Cash and cash equivalents at end of financial year</b>	<b>21,201</b>	<b>65,287</b>

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 31 March 2017.

### **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.

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**NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)**

**8. Segmental Reporting**

**By Activities**

Cumulative Quarter  
**31 March 2017**

	Construction	Manufacturing	Others	Eliminations	Total Continuing Operations	Discontinued Operations	Adjustment	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>								
Revenue from external customers	173,184	71,106	-	-	244,290	30,961	(2,699)	272,552
Inter-segment revenue	2,321	124	8,038	(10,483)	-	-	-	-
<b>Total revenue</b>	<b>175,505</b>	<b>71,230</b>	<b>8,038</b>	<b>(10,483)</b>	<b>244,290</b>	<b>30,961</b>	<b>(2,699)</b>	<b>272,552</b>
<b>Segment results</b>	<b>(5,847)</b>	<b>(66,308)</b>	<b>(153,691)</b>	<b>206,495</b>	<b>(19,351)</b>	<b>(10,644)</b>	<b>(21,097)</b>	<b>(51,092)</b>
Other income					21,243	36,782		58,025
Finance costs					(7,205)	(862)		(8,067)
Share of results of associates					923	-		923
Share of results of joint ventures					-	13		13
Income tax expense					(3,741)	(890)		(4,631)
<b>(Loss)/Profit for the financial year</b>					<b>(8,131)</b>	<b>24,399</b>	<b>(21,097)</b>	<b>(4,829)</b>

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**NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)**

**8. Segmental Reporting (contd.)**

**By Activities**

Cumulative Quarter  
**31 March 2016**

	Construction	Manufacturing	Others	Elimination	Total Continuing Operations	Discontinued Operations	Adjustment	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>								
Revenue from external customers	150,527	99,018	-	-	249,545	28,654	(7,984)	270,215
Inter-segment revenue	-	6,005	7,810	(13,815)	-	-	-	-
<b>Total revenue</b>	<b>150,527</b>	<b>105,023</b>	<b>7,810</b>	<b>(13,815)</b>	<b>249,545</b>	<b>28,654</b>	<b>(7,984)</b>	<b>270,215</b>
<b>Segment results</b>	<b>(5,497)</b>	<b>(1,667)</b>	<b>(10,656)</b>	<b>7,784</b>	<b>(10,036)</b>	<b>(13,348)</b>	<b>(3,823)</b>	<b>(27,207)</b>
Other income					22,124	9,717		31,841
Finance costs					(5,131)	(580)		(5,711)
Share of results of associates					(1,712)	-		(1,712)
Share of results of joint ventures					-	1,316		1,316
Income tax expense					(1,828)	(9)		(1,837)
<b>Profit/(Loss) for the financial year</b>					<b>3,417</b>	<b>(2,904)</b>	<b>(3,823)</b>	<b>(3,310)</b>

**NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)**

**9. Valuation of Property, Plant and Equipment**

The valuation 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.

**11. Changes in the Composition of the Group**

The disposal of 100% equity interest in Saujanika Sdn. Bhd. (“Saujanika”) by the Company to MTD Capital Bhd, for a cash consideration of RM14,816,559, in accordance with the terms and conditions as stipulated in the conditional share sale agreement dated 8 November 2016 as amended by the supplemental share sale agreement dated 26 January 2017 was completed on 30 March 2017 (“Disposal”).

Following the completion of the Disposal, Saujanika and its subsidiaries ceased to be subsidiaries of the Company.

**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.

**NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)**

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

**CURRENT QUARTER vs. CORRESPONDING QUARTER**

	<b>31/3/2017</b>	<b>31/3/2016</b>	<b>Variance</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Segmental Turnover</b>				
Construction	31,704	44,696	(12,992)	(29)
Manufacturing	18,104	25,801	(7,697)	(30)
Others	2,122	2,126	(4)	(0)
	<u>51,930</u>	<u>72,623</u>		
Inter-segment	(2,457)	(4,718)	2,261	48
	<u><b>49,473</b></u>	<u><b>67,905</b></u>	(18,432)	(27)
Less: Discontinued operations	(6,975)	(3,751)	(3,224)	(86)
	<u><b>42,498</b></u>	<u><b>64,154</b></u>	(21,656)	(34)
<b>Pre-tax (loss)/profit</b>				
Construction	2,905	(3,813)	6,718	>100
Manufacturing	(3,641)	9,666	(13,307)	>(100)
Others	(16,932)	(7,762)	(9,170)	>(100)
	<u>(17,668)</u>	<u>(1,909)</u>		
Elimination	14,774	4,347	10,427	>100
	<u><b>(2,894)</b></u>	<u><b>2,438</b></u>		
Share of results of associates	(194)	148	(342)	>(100)
Share of results of joint ventures	13	999	(986)	(99)
	<u><b>(3,075)</b></u>	<u><b>3,585</b></u>	(6,660)	>(100)
Less: Discontinued operations	5,919	(3,512)	9,431	>100
	<u><b>2,844</b></u>	<u><b>73</b></u>	2,771	>100

For the current quarter under review, the Group recorded lower revenue of RM49.5 million and pre-tax loss of RM3.1 million, as compared to revenue of RM67.9 million and pre-tax profit of RM3.6 million respectively in the corresponding quarter.

Lower revenue recorded in current quarter was mainly due to lower turnover registered in both Construction and Manufacturing divisions. Pre-tax loss recorded in current quarter as compared to corresponding quarter mainly was due to higher loss incurred by Manufacturing division.

**NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)**

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

**CURRENT QUARTER vs. PRECEDING QUARTER**

	<b>31/3/2017</b>	<b>31/12/2016</b>	<b>Variance</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Segmental Turnover</b>				
Construction	31,704	76,441	(44,737)	(59)
Manufacturing	18,104	17,301	803	5
Others	2,122	2,012	110	5
	<u>51,930</u>	<u>95,754</u>		
Inter-segment	(2,457)	(3,842)	1,385	36
	<u><b>49,473</b></u>	<u><b>91,912</b></u>	(42,439)	(46)
Less: Discontinued operations	(6,975)	(8,251)	1,276	15
	<u><b>42,498</b></u>	<u><b>83,661</b></u>	(41,163)	(49)
<b>Pre-tax (loss)/profit</b>				
Construction	2,905	8,373	(5,468)	(65)
Manufacturing	(3,641)	(14,094)	10,453	74
Others	(16,932)	(125,206)	108,274	86
	<u>(17,668)</u>	<u>(130,927)</u>		
Elimination	14,774	133,333	(118,559)	(89)
	<u>(2,894)</u>	<u>2,406</u>		
Share of results of associates	(194)	216	(410)	>(100)
Share of results of joint ventures	13	-	13	100
	<u><b>(3,075)</b></u>	<u><b>2,622</b></u>	(5,697)	>(100)
Less: Discontinued operations	5,919	(8,753)	14,672	>100
	<u><b>2,844</b></u>	<u><b>(6,131)</b></u>	8,975	>100

The Group recorded revenue of RM49.5 million in the current quarter as compared to RM91.9 million in the immediate preceding quarter, representing Q.o.Q decrease by 46%. The decrease was mainly attributable to lower turnover registered at the Construction division.

The Group recorded pre-tax loss of RM3.1 million as compared to a pre-tax profit of RM2.6 million in the immediate preceding quarter. The decrease of pre-tax profit in current quarter as compared to preceding quarter was mainly due to lower profit generated from Construction division and lower share of associate profit recorded in the current quarter.

**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 RM941.1 million. 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. (Loss)/Profit Before Tax**

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

	<b>Individual quarter ended</b>		<b>Cumulative quarter ended</b>	
	<b>31/3/2017</b>	<b>31/3/2016</b>	<b>31/3/2017</b>	<b>31/3/2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	(22)	(673)	(103)	(764)
Other income	(17,790)	(4,614)	(19,609)	(8,814)
Interest expense	2,703	1,771	8,067	5,711
Depreciation of property, plant and equipment	1,963	1,896	7,859	7,653
Impairment loss on trade and other receivables	1,805	2,814	2,267	5,030
Bad debts written off	230	-	745	85
Bad debts written back	(390)	(1,262)	(3,671)	(2,992)
Provision of slow moving stocks	-	-	(3,541)	-
Inventories written off	65	1,232	3,854	1,232
(Gain)/Loss on disposal of quoted investment	-	-	-	-
Gain on disposal of Investments in subsidiaries	(12,856)	-	(12,856)	-
Gain on disposal of property, plant and equipment	(4,712)	(5,029)	(4,775)	(5,150)
Net impairment of assets	-	4,691	-	4,691
Gain on foreign exchange	(2,354)	(754)	(17,382)	(1,689)

**18. Income Tax Expense**

	<b>Individual quarter ended</b>		<b>Cumulative quarter ended</b>	
	<b>31/3/2017</b>	<b>31/3/2016</b>	<b>31/3/2017</b>	<b>31/3/2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current year's provision:				
- Continuing operations	(678)	(1,816)	(3,741)	(1,828)
- Discontinued operations	(890)	89	(890)	(9)
	<b>(1,568)</b>	<b>(1,727)</b>	<b>(4,631)</b>	<b>(1,837)</b>

The effective tax rate for the current quarter was lower than the statutory tax rate due to the losses of certain subsidiaries which could not be set off against taxable profits made by the other subsidiaries.

**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.



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**NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)**

**21. Borrowings and Debts Securities**

Total Group borrowings as at 31 March are as follows: -

	<b>As at 31/3/2017 RM'000</b>	<b>As at 31/3/2016 RM'000</b>
<b>Short term borrowings</b>		
Secured	47,826	41,976
Unsecured	4,516	16,229
	<hr/> 52,342	<hr/> 58,205
<b>Long term borrowings</b>		
Secured	66	2,080
	<hr/> <b>52,408</b>	<hr/> <b>60,285</b>

**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.

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

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

a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit 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>Cummulative Quarter Ended</b>	
	<b>31/3/2017</b>	<b>31/3/2016</b>	<b>31/3/2017</b>	<b>31/3/2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/Profit attributable to owners of the parent:				
- Continuing operations	1,897	(2,086)	(10,391)	3,084
- Discontinued operations	(7,215)	3,601	3,302	(6,727)
<b>Total</b>	<b>(5,318)</b>	<b>1,515</b>	<b>(7,089)</b>	<b>(3,643)</b>
	<b>Individual Quarter Ended</b>		<b>Cummulative Quarter Ended</b>	
	<b>31/3/2017</b>	<b>31/3/2016</b>	<b>31/3/2017</b>	<b>31/3/2016</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
	<b>Individual Quarter Ended</b>		<b>Cummulative Quarter Ended</b>	
	<b>31/3/2017</b>	<b>31/3/2016</b>	<b>31/3/2017</b>	<b>31/3/2016</b>
Basic (loss)/earnings per share (sen):				
- Continuing operations	0.82	(0.90)	(4.50)	1.34
- Discontinued operations	(3.12)	1.56	1.43	(2.91)
<b>Total</b>	<b>(2.30)</b>	<b>0.66</b>	<b>(3.07)</b>	<b>(1.57)</b>

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**NOTES TO THE INTERIM FINANCIAL**

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

	As at 31/3/2017 RM000	As at 31/3/2016 RM000
Total accumulated losses of the Company and the subsidiaries:		
Realised	(466,046)	(466,279)
Unrealised	(21,148)	13,442
	<u>(487,194)</u>	<u>(452,837)</u>
Total share of retained profits from associate:		
Realised	14,744	15,667
	<u>(472,450)</u>	<u>(437,170)</u>
Total share of accumulated losses from joint venture:		
Realised	862	(862)
	<u>(471,588)</u>	<u>(438,032)</u>
Less : Consolidated adjustments	130,625	105,371
<b>Total accumulated losses as per statements of financial position</b>	<b><u>(340,963)</u></b>	<b><u>(332,661)</u></b>

By Order Of The Board

Batu Caves, Selangor  
26 May 2017

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