

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

Quarterly report on consolidated results for the quarter ended 31 March 2019
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	
		31/3/19 RM'000	31/3/18 RM'000 (Restated)	31/3/19 RM'000	31/3/18 RM'000 (Restated)
Revenue	9	64,912	62,613	249,817	274,155
Cost of sales		<u>(60,858)</u>	<u>(54,892)</u>	<u>(233,214)</u>	<u>(235,098)</u>
Gross profit		4,054	7,721	16,603	39,057
Other items of income					
Other income		8,509	4,612	17,978	13,807
Other items of expense					
Selling and marketing expenses		(953)	(2,421)	(6,380)	(6,619)
Administrative and other expenses		(6,656)	(8,970)	(22,670)	(31,291)
Finance costs		(1,786)	(1,637)	(6,860)	(6,293)
Share of results of associates		(2)	1,831	(37)	34
Profit/(Loss) before tax		<u>3,166</u>	<u>1,136</u>	<u>(1,366)</u>	<u>8,695</u>
Tax expenses	19	<u>(5,532)</u>	<u>(2,171)</u>	<u>(5,465)</u>	<u>(2,263)</u>
Profit/(Loss) for the year		<u>(2,366)</u>	<u>(1,035)</u>	<u>(6,831)</u>	<u>6,432</u>
Other comprehensive (loss)/income for the year					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations		(604)	(6,598)	(579)	(11,927)
Revaluation surplus		(6,414)	0	9,367	0
Total comprehensive (loss)/income for the year, net of tax		<u>(9,384)</u>	<u>(7,633)</u>	<u>1,957</u>	<u>(5,495)</u>
(Loss)/Profit attributable to:					
Owners of the parent		(561)	(731)	(4,781)	6,854
Non-controlling interest		<u>(1,805)</u>	<u>(304)</u>	<u>(2,050)</u>	<u>(422)</u>
		<u>(2,366)</u>	<u>(1,035)</u>	<u>(6,831)</u>	<u>6,432</u>
Total comprehensive (loss)/profit attributable to :					
Owners of the parent		(7,337)	(5,945)	3,292	(2,178)
Non-controlling interest		<u>(2,047)</u>	<u>(1,688)</u>	<u>(1,335)</u>	<u>(3,317)</u>
		<u>(9,384)</u>	<u>(7,633)</u>	<u>1,957</u>	<u>(5,495)</u>
(Loss)/Earnings per share attributable to owners of the parent (sen)					
Basic	25	<u>(0.24)</u>	<u>(0.32)</u>	<u>(2.07)</u>	<u>2.97</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 2018.

MTD ACPI ENGINEERING BERHAD (Company No: 258836-V)
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 31/03/2019 RM'000	As at 31/03/2018 RM'000 Audited (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	10	134,902	126,389
Investments in associates		522	559
Other investments		161	161
Trade receivables		47,465	20,028
Deferred tax assets		2,458	7,008
		185,508	154,145
Current assets			
Inventories		21,328	23,845
Other investments		38	53
Trade and other receivables		133,378	197,882
Current tax assets		6,248	6,038
Cash and bank balances		31,457	22,534
		192,449	250,352
Total Assets		377,957	404,497
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables		185,193	227,384
Provisions		1,935	2,551
Borrowings	22	60,889	52,516
Current tax liabilities		0	476
		248,017	282,927
Net current liabilities		(55,568)	(32,575)

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTD.)

	Note	As at 31/03/2019 RM'000	As at 31/03/2018 RM'000 Audited (Restated)
Non- current liabilities			
Trade payables		24,138	6,065
Provisions		7,192	6,944
Borrowings	22	463	281
Deferred tax liabilities		5,012	5,420
		<u>36,805</u>	<u>18,710</u>
Total Liabilities		<u>284,822</u>	<u>301,637</u>
Net Assets		<u>93,135</u>	<u>102,860</u>
Equity attributable to owners of the parent			
Share capital		339,771	339,771
Treasury shares		(1,905)	(1,905)
Reserves		92,220	84,122
Accumulated losses	2	(350,479)	(333,991)
		79,607	87,997
Non-controlling interests		13,528	14,863
Total equity		<u>93,135</u>	<u>102,860</u>
Total equity and liabilities		<u>377,957</u>	<u>404,497</u>
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (RM)		0.40	0.45

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2018.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent						Total	Non-controlling Interests	Total Equity
	Share Capital	Revaluation Reserve	Exchange Translation Reserve	Other Reserves	Treasury Shares	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2019									
At 1 April 2018	339,771	54,946	228	29,255	(1,905)	(334,298)	87,997	14,863	102,860
Effects of adopting MFRS 9 and MFRS 15 (Note 2)	-	-	-	-	-	(11,682)	(11,682)	-	(11,682)
Realisation of revaluation reserves	-	(307)	-	-	-	307	-	-	-
As 1 April 2018	339,771	54,639	228	29,255	(1,905)	(345,673)	76,315	14,863	91,178
Total comprehensive income/(loss)									
Net loss for the year	-	-	-	-	-	(4,781)	(4,781)	(2,050)	(6,831)
Foreign currency translations	-	-	(1,269)	-	-	(25)	(1,294)	715	(579)
Revaluation surplus	-	9,367	-	-	-	-	9,367	-	9,367
Total comprehensive income/(loss) for the year	-	9,367	(1,269)	-	-	(4,806)	3,292	(1,335)	1,957
At 31 March 2019	339,771	64,006	(1,041)	29,255	(1,905)	(350,479)	79,607	13,528	93,135

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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	Capital Redemption Reserve	Exchange 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	
2018										
At 1 April 2017	339,771	90	47,190	9,260	29,165	(1,905)	(341,459)	82,112	18,180	100,292
Effects on revaluation of non-current assets based on revaluation method	-	-	7,756	-	-	-	-	7,756	-	7,756
Restated balance at 1 April 2017	339,771	90	54,946	9,260	29,165	(1,905)	(341,459)	89,868	18,180	108,048
Total comprehensive (loss)/income										
Net profit/(loss) for the year	-	-	-	-	-	-	7,161	7,161	(422)	6,739
Other comprehensive loss	-	-	-	(9,032)	-	-	-	(9,032)	(2,895)	(11,927)
Total comprehensive (loss)/income for the year	-	-	-	(9,032)	-	-	7,161	(1,871)	(3,317)	(5,188)
At 31 March 2018	339,771	90	54,946	228	29,165	(1,905)	(334,298)	87,997	14,863	102,860

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 2018.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	12 months to 31/03/2019 RM'000	12 months to 31/03/2018 RM'000
Operating activities		
(Loss)/Profit before tax	(1,366)	8,695
<u>Adjustments for:</u>		
Interest income	(43)	(53)
Bad debts written off	8,702	8
Net impairment on financial assets	(4,725)	4,567
Fair value adjustments on other investments, net	14	37
Net changes in provisions	(895)	(2,255)
Dividend income from other investments, net	-	(5)
Reversal of overprovision on payables	(4,395)	-
Depreciation of property, plant and equipment	4,897	3,826
Gain on disposal of property, plant and equipment	(262)	(331)
Property, plant and equipment written off	39	79
Interest expense	6,860	6,293
Net changes in liabilities for retirement benefit obligations	658	1,100
Inventories written off	0	66
Inventories written back	1,330	(521)
Unrealised foreign exchange gain/(loss), net	61	(2,159)
Share of results of associates	37	(34)
Total adjustments	<u>12,278</u>	<u>10,618</u>
Operating cash flows before changes in working capital	10,912	19,313
Changes in working capital		
Net change in current assets	22,664	(2,746)
Net change in current liabilities	(19,639)	(22,604)
Total changes in working capital	<u>3,025</u>	<u>(25,350)</u>
Cash flows generated from/(used in) operations	13,937	(6,037)
Retirement benefit paid	(50)	(1,981)
Net tax paid	(2,311)	(6,852)
Net cash flows generated from/(used in) operating activities	11,576	(14,870)

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTD.)

	12 months to 31/03/2019 RM'000	12 months to 31/03/2018 RM'000
Investing activities		
Interest received	43	53
Purchase of property, plant and equipment	(3,642)	(4,283)
Dividends received	0	22,565
Advances from holding company	2,334	1,544
Advances from related party	212	17
Repayments to related companies	(2,546)	(4,547)
Proceeds from disposal of property, plant and equipment	301	345
Placement of deposits pledged to licensed banks	(56)	(1,233)
Net cash (used in)/generated from financing activities	(3,354)	14,461
Financing activities		
Interest paid	(6,860)	(1,350)
Net proceeds/(repayments) from borrowings	8,557	(6,314)
Net cash generated from/(used in) financing activities	1,697	(7,664)
Net increase/(decrease) in cash and cash equivalents	9,919	(8,073)
Effects of exchange rate changes on cash and cash	(822)	(807)
Cash and cash equivalent at beginning of year	12,504	21,384
Cash and cash equivalent at end of financial year	21,601	12,504

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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:

	12 months to 31/03/2019 RM'000	12 months to 31/03/2018 RM'000
Cash and bank balances	28,711	19,844
Deposits placed with licensed banks	2,746	2,690
Total cash and bank balances	31,457	22,534
Bank overdrafts	(7,339)	(7,340)
Deposits pledged to licensed banks	(2,515)	(2,688)
Deposit with a licensed bank with maturity of over 3 months	(2)	(2)
Cash and cash equivalents at end of financial year	21,601	12,504

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2018.

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) and requirements of the Companies Act 2016, where applicable.

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 2018. 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 2018.

2. Significant accounting policies

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 March 2018, except for the adoption of the following standards, amendments and annual improvements to MFRSs with a date of initial application on 1 April 2018:

Description	
Amendments to MFRS 1	<i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standard 2014-2016 Cycle)</i>
Amendments to MFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to MFRS 4	<i>Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>
Amendments to MFRS 128	<i>Investments in Associates and Joint Ventures Standards (Annual Improvements to MFRS Standard 2014-2016 Cycle)</i>
Amendments to MFRS 140	<i>Investment Property – Transfer of Investment Property</i>
Clarifications to MFRS 15	<i>Revenue from Contracts with Customers</i>
IC Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i>
MFRS 9	<i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>
MFRS 15	<i>Revenue from Contracts with Customers</i>

The adoption of the above, did not have any significant effects on the interim report upon their initial application, other than as disclosed below:

(i) MFRS 15, Revenue from Contracts with Customers

MFRS 15 is effective for annual periods beginning on or after 1 January 2018. MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

(i) **MFRS 15 - Revenue from Contracts with Customers (contd.)**

In adopting MFRS 15, the Group has adopted the standard using the cumulative effect retrospective approach with practical expediency for contracts that are completed. This means that contracts that are still on-going as at 1 April 2018 will be accounted for as if they had been recognised in accordance with MFRS15 at the commencement of the contract. The cumulative impact arising from the adoption will be recognised in retained earnings as at 1 April 2018 and comparatives will not be restated.

(ii) **MFRS 9 – Financial Instruments**

MFRS 9 introduces the expected credit losses (“ECL”) model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model requires impairment to be recognised on initial recognition including expected future credit losses whilst the incurred loss impairment model only requires recognition of credit losses incurred as at reporting date.

The assessment of credit risk, as well as the estimation of ECL, are required to be unbiased, probability-weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should also take into account the time value of money.

As a result, the total ECL allowances computed under MFRS 9 is higher than the total allowance for impairment under MFRS 139 as a more forward-looking approach is adopted.

In summary, the impact of adopting both MFRS 15 and MFRS 9 (“MFRSs”) to opening balances are as follows:

Reconciliation statement of financial position at 1 April 2018			
	Pre-MFRSs	Effects of transition to MFRSs	As reported under MFRSs
	RM'000	RM'000	RM'000
Trade and other receivables	217,910	(11,551)	206,359
Trade and other payables	233,449	(131)	233,318
Accumulated losses	(334,298)	11,682	(345,980)

3. Qualification of Financial Statement

The auditors’ report on the financial statements for the financial year ended 31 March 2018 was not qualified.

4. Seasonal or Cyclical Factors

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

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current financial quarter ended 31 March 2019.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

6. Changes In Estimates

There were no changes in estimates that have material effect on the amounts reported for the current quarter ended 31 March 2019.

7. 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.

8. Dividend Paid

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

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

9. Segmental Reporting

By Activities

Cumulative Quarter
31 March 2019

	Construction RM'000	Manufacturing RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue					
Revenue from external customers	187,318	62,499	-	-	249,817
Inter-segment revenue	-	5	6,828	(6,833)	-
Total revenue	187,318	62,504	6,828	(6,833)	249,817
Segment results	3,900	(50,767)	(5,859)	40,279	(12,447)
Other income	14,444	23,774	871	(21,111)	17,978
Finance costs	(2,691)	(193)	(6,997)	3,021	(6,860)
Share of results of associates	(37)	-	-	-	(37)
Tax expenses	(4,359)	(1,106)	-	-	(5,465)
Loss for the financial year					(6,831)
Segment assets	313,766	177,475	131,497	(253,487)	369,251
Segment liabilities	232,752	271,885	183,968	(408,794)	279,811

Cumulative Quarter
31 March 2018

	Construction RM'000	Manufacturing RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue					
Revenue from external customers	186,370	87,785	-	-	274,155
Inter-segment revenue	-	58	7,918	(7,976)	-
Total revenue	186,370	87,843	7,918	(7,976)	274,155
Segment results	14,589	(16,810)	(27,250)	30,618	1,147
Other income	7,614	8,086	21,160	(23,053)	13,807
Finance costs	(2,325)	(95)	(6,320)	2,447	(6,293)
Share of results of associates	34	-	-	-	34
Tax (expenses)/benefits	(2,358)	58	37	-	(2,263)
Profit for the financial year					6,432
Segment assets	304,058	195,804	131,661	(249,853)	381,670
Segment liabilities	224,019	275,472	175,278	(379,028)	295,741

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

10. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment were brought forward without amendments from the annual financial statements for the financial year ended 31 March 2018 except for the followings:

During the financial period ended 31 December 2018, a revaluation exercise was carried out by the Group on property, plant and equipment. The revaluation resulted in a revaluation surplus, net of deferred tax, of approximately RM9.4 million. The valuation reports were dated on 30 November 2018 and were carried out by an independent valuer, Khong & Jaafar Sdn Bhd.

11. Material Subsequent Events

There were no material subsequent events since the end of the current quarter under review until a date not earlier than 7 days from the date of issuance of this quarterly report.

12. Changes in the Composition of the Group

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

13. 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 2018.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

14. Review of Performance of the Group

CURRENT QUARTER vs. CORRESPONDING QUARTER

	Individual quarter ended		Variance		Cumulative quarter ended		Variance	
	31/3/2019	31/3/2018	RM'000	%	31/3/2019	31/3/2018	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Segmental Turnover								
Construction	52,883	41,390	11,493	28	187,318	186,370	948	1
Manufacturing	12,030	21,234	(9,204)	(43)	62,505	87,843	(25,338)	(29)
Others	994	2,621	(1,627)	(62)	6,828	7,918	(1,090)	(14)
	<u>65,907</u>	<u>65,245</u>			<u>256,651</u>	<u>282,131</u>		
Inter-segment	(995)	(2,632)	1,637	62	(6,834)	(7,976)	1,142	14
	<u>64,912</u>	<u>62,613</u>	<u>2,299</u>	<u>4</u>	<u>249,817</u>	<u>274,155</u>	<u>(24,338)</u>	<u>(9)</u>

	Individual quarter ended		Variance		Cumulative quarter ended		Variance	
	31/03/2019	31/03/2018	RM'000	%	31/03/2019	31/03/2018	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Pre-tax profit/(loss)								
Construction	4,338	(7,136)	11,474	>100	15,653	19,878	(4,225)	(21)
Manufacturing	(6,580)	(2,269)	(4,311)	>(100)	(27,186)	(8,819)	(18,367)	>(100)
Others	(4,938)	(4,018)	(920)	(23)	(11,985)	(12,410)	425	3
	<u>(7,180)</u>	<u>(13,423)</u>			<u>(23,518)</u>	<u>(1,351)</u>		
Elimination/Adjustments	10,348	12,728	(2,380)	(19)	22,189	10,012	12,177	>100
	<u>3,168</u>	<u>(695)</u>			<u>(1,329)</u>	<u>8,661</u>		
Share of results of associates	(2)	1,831	(1,833)	(100)	(37)	34	(71)	>(100)
	<u>3,166</u>	<u>1,136</u>	<u>2,030</u>	<u>>100</u>	<u>(1,366)</u>	<u>8,695</u>	<u>(10,061)</u>	<u>>(100)</u>
(Loss)/Profit after tax	(2,366)	(728)	(1,638)	>(100)	(6,831)	6,739	(13,570)	>(100)
(Loss)/Profit Attributable to owners of the parent	(561)	(424)	(137)	(32)	(4,781)	7,161	(11,942)	>(100)

For the current quarter under review, the Group recorded revenue of RM64.9 million and pre-tax profit of RM3.2 million, as compared to revenue of RM62.6 million and pre-tax profit of RM3.2 million respectively in the corresponding quarter.

The higher revenue in the current quarter compared to the corresponding quarter was mainly due to higher progress billings in Construction division. Following the higher revenue recorded in current quarter, the Group recorded higher pre-tax profit compared to the corresponding quarter.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

15. Variation of Results Against Preceding Quarter

CURRENT QUARTER vs. IMMEDIATE PRECEDING QUARTER

	Individual quarter ended		Variance	
	31/03/2019 RM'000	31/12/2018 RM'000	RM'000	%
Segmental Turnover				
Construction	52,883	54,624	(1,741)	(3)
Manufacturing	12,030	16,930	(4,900)	(29)
Others	994	1,722	(728)	(42)
	<u>65,907</u>	<u>73,276</u>		
Inter-segment	(995)	(1,722)		
	<u>64,912</u>	<u>71,554</u>	(6,642)	(9)

	Individual quarter ended		Variance	
	31/03/2019 RM'000	31/12/2018 RM'000	RM'000	%
Pre-tax profit/(loss)				
Construction	4,338	2,249	2,089	>100
Manufacturing	(6,580)	1,695	(8,275)	>(100)
Others	(4,938)	(1,953)	(2,985)	>(100)
	<u>(7,180)</u>	<u>1,991</u>		
Elimination	10,348	(14)		
	<u>3,168</u>	<u>1,977</u>		
Share of results of associates	(2)	(14)	12	86
	<u>3,166</u>	<u>1,963</u>	1,203	61
(Loss)/Profit after tax	(2,366)	1,963	(4,329)	>(100)
(Loss)/Profit Attributable to owners of the parent	(561)	1,991	(2,552)	>(100)

The Group recorded revenue of RM64.9 million and pre-tax profit of RM3.2 million for the fourth quarter ended 31 March 2019, compared to revenue of RM71.6 million and pre-tax profit of RM2.0 million respectively in the preceding quarter.

The lower revenue recorded in the current quarter under review was due to lower progress billings in Construction division and lower turnover in Manufacturing division. Higher pre-tax profit of RM3.2 million in current quarter under review compared to preceding quarter was mainly attributed by the higher profit recorded in Construction division.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

16. Prospects for the new Financial Year

The Group will continue to aggressively seek to replenish its order book, leveraging on its vast experience, competitiveness and track record in the construction industry. Despite the challenging conditions which continued in the previous financial year, the Board remains hopeful that its Manufacturing division will improve in the new financial year.

17. 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.

18. Profit/(loss) Before Tax

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

	Individual quarter ended		Cumulative quarter ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Interest income	(7)	(17)	(43)	(53)
Other income	(1,400)	(4,476)	(6,408)	(10,038)
Interest expense	1,786	1,637	6,860	6,293
Depreciation of property, plant and equipment	1,495	(29)	4,897	3,519
Impairment loss on trade and other receivables	1,703	352	4,041	7,431
Bad debts written off	-	8	8,702	8
Bad debts written back	(7,713)	(1,165)	(17,468)	(2,864)
Provision of slow moving stocks	1,330	(521)	1,330	(521)
Inventories written off	-	28	-	66
(Gain)/Loss on disposal of quoted investment	-	-	-	-
(Gain)/Loss on disposal of unquoted investment	-	-	-	-
Gain on disposal of property, plant and equipment	6	(39)	(262)	(331)
Net impairment of assets	-	-	-	-
Net gain on foreign exchange	(170)	(743)	(2,793)	(2,117)

19. Tax (Expenses)/Benefits

	Individual quarter ended		Cumulative quarter ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Current year's provision	(1,692)	(3,489)	(1,625)	(3,581)
Deferred tax	(3,840)	1,318	(3,840)	1,318
	(5,532)	(2,171)	(5,465)	(2,263)

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

20. Unquoted Investment and Properties

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

21. Status of Corporate Proposals Announced

There was no corporate proposal announced but not completed during the current financial quarter.

22. Borrowings and Debts Securities

The breakdown of the borrowings is set out below:-

	As at 31/03/2019 RM'000	As at 31/03/2018 RM'000
Short term borrowings		
<u>Secured</u>		
- Bank Overdraft	3,983	2,991
- Hire purchase creditors	150	76
- Revolving credits	10,000	10,000
<u>Unsecured</u>		
- Bank Overdraft	3,356	4,349
- Revolving credits	43,400	35,100
	<hr/> 60,889	<hr/> 52,516
Long term borrowings		
<u>Secured</u>		
- Hire purchase creditors	463	281
	<hr/> 61,352	<hr/> 52,797

23. Material Litigations

There were no significant changes in material litigation since the last annual statement of financial position as at 31 March 2018.

