

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

Quarterly report on consolidated results for the quarter ended 30 June 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	
		30/06/2019	30/06/2018	30/06/2019	30/06/2018
		RM'000	RM'000	RM'000	RM'000
Revenue	9	65,345	54,796	65,345	54,796
Cost of sales		(64,557)	(53,456)	(64,557)	(53,456)
Gross profit		788	1,340	788	1,340
Other items of income					
Other income		3,200	5,563	3,200	5,563
Other items of expense					
Selling and marketing expenses		(833)	(2,042)	(833)	(2,042)
Administrative and other expenses		(4,032)	(7,611)	(4,032)	(7,611)
Finance costs		(1,256)	(1,684)	(1,256)	(1,684)
Share of results of associates		(43)	8	(43)	8
Loss before tax		(2,176)	(4,426)	(2,176)	(4,426)
Tax benefit	19	-	1	-	1
Loss for the financial period		(2,176)	(4,425)	(2,176)	(4,425)
Other comprehensive income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations		1,373	1,637	1,373	1,637
Total comprehensive loss for the financial period, net of tax		(803)	(2,788)	(803)	(2,788)
Loss attributable to:					
Owners of the parent		(2,146)	(4,234)	(2,146)	(4,234)
Non-controlling interest		(30)	(191)	(30)	(191)
		(2,176)	(4,425)	(2,176)	(4,425)
Total comprehensive (loss)/profit attributable to:					
Owners of the parent		(610)	(2,947)	(1,322)	(2,947)
Non-controlling interest		(193)	159	519	159
		(803)	(2,788)	(803)	(2,788)
Loss per share attributable to owners of the parent (sen)					
Basic and diluted	25	(0.93)	(1.83)	(0.93)	(1.83)

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 2019.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 30/06/2019 RM'000	As at 31/03/2019 RM'000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	10	132,813	133,808
Investments in associates		478	522
Other investments		161	161
Trade receivables		44,821	40,201
Deferred tax assets		2,484	2,484
		180,757	177,176
Current assets			
Inventories		19,460	21,327
Other investments		38	38
Trade and other receivables		97,170	108,191
Contract assets		41,991	32,614
Current tax assets		7,470	6,248
Cash and bank balances		20,791	31,457
		186,920	199,875
Total Assets		367,677	377,051
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables		173,523	182,433
Contract liabilities		7,318	7,876
Provisions		1,885	1,884
Borrowings	22	62,310	60,889
		245,036	253,082
Net current liabilities		(58,116)	(53,207)

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTD.)

	Note	As at 30/06/2019 RM'000	As at 31/03/2019 RM'000 Audited
Non- current liabilities			
Trade payables		19,626	19,487
Provisions		6,615	7,242
Borrowings	22	426	463
Deferred tax liabilities		5,012	5,012
		<u>31,679</u>	<u>32,204</u>
Total Liabilities		<u>276,715</u>	<u>285,286</u>
Net Assets		<u>90,962</u>	<u>91,765</u>
Equity attributable to owners of the parent			
Share capital		339,771	339,771
Treasury shares		(1,905)	(1,905)
Reserves		91,901	91,077
Accumulated losses	2	(352,753)	(350,607)
		<u>77,014</u>	<u>78,336</u>
Non-controlling interests		<u>13,948</u>	<u>13,429</u>
Total equity		<u>90,962</u>	<u>91,765</u>
Total equity and liabilities		<u>367,677</u>	<u>377,051</u>
Net Assets Per Share Attributable to Ordinary Holders of the Parent (RM)		0.39	0.40

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2019.

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

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent						Total	Non-controlling Interests	Total Equity
	Non-Distributable				Distributable				
2020	Share Capital RM'000	Revaluation Reserve RM'000	Exchange Translation Reserve RM'000	Other Reserves RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2019	339,771	62,912	(1,090)	29,255	(1,905)	(350,607)	78,336	13,429	91,765
Loss for the financial period	-	-	-	-	-	(2,146)	(2,146)	(30)	(2,176)
Foreign currency translations	-	-	824	-	-	-	824	549	1,373
Total comprehensive income/(loss) for the financial period	-	-	824	-	-	(2,146)	(1,322)	519	(803)
Balance as at 30 June 2019	339,771	62,912	(266)	29,255	(1,905)	(352,753)	77,014	13,948	90,962

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Quarterly report on consolidated results for the quarter ended 30 June 2019
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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	Revaluation Reserve	Exchange Translation Reserve	Other Reserves	Treasury Shares	Accumulated Losses	Total		
2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 April 2018, as previously reported	339,771	47,190	228	29,255	(1,905)	(334,298)	80,241	14,863	95,104
Effects of adoption of MFRS 9	-	-	-	-	-	(8,759)	(8,759)	-	(8,759)
Effects of adoption of MFRS 15	-	-	-	-	-	(130)	(130)	-	(130)
Balance as at 1 April 2018, as restated	339,771	47,190	228	29,255	(1,905)	(343,187)	71,352	14,863	86,215
Loss for the financial period	-	-	-	-	-	(4,234)	(4,234)	(191)	(4,425)
Foreign currency translations	-	-	1,287	-	-	-	1,287	350	1,637
Total comprehensive income/(loss) for the financial period	-	-	1,287	-	-	(4,234)	(2,947)	159	(2,788)
Balance as at 30 June 2018	339,771	47,190	1,515	29,255	(1,905)	(347,421)	68,405	15,022	83,427

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 2019.

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

	3 months to 30/06/2019 RM'000	3 months to 30/06/2018 RM'000
Operating activities		
Loss before tax	(2,176)	(4,426)
<u>Adjustments for:</u>		
Interest income	(8)	(9)
Net impairment on financial assets	(2,729)	1,032
Net changes in provisions	-	(501)
Reversal of overprovision on payables	-	(4,395)
Depreciation of property, plant and equipment	1,204	1,139
Gain on disposal of property, plant and equipment	(241)	(32)
Interest expense	1,256	1,684
Net changes in liabilities for retirement benefit obligations	140	168
Unrealised foreign exchange gain, net	(64)	-
Share of results of associates	43	(8)
Total adjustments	(399)	(922)
Operating cash flows before changes in working capital	(2,575)	(5,348)
Changes in working capital		
Net change in current assets	1,685	3,834
Net change in current liabilities	(9,067)	108
Total changes in working capital	(7,382)	3,942
Cash flows used in operations	(9,957)	(1,406)
Retirement benefit paid	(767)	-
Net tax paid	(1,104)	(1,213)
Net cash flows used in operating activities	(11,828)	(2,619)
Investing activities		
Interest received	8	9
Purchase of property, plant and equipment	(215)	(279)
Placement of deposits pledged to licensed banks	(75)	(11)
Proceeds from disposal of property, plant and equipment	247	32
Net cash flows used in investing activities	(35)	(249)

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTD.)

	3 months to 30/06/2019 RM'000	3 months to 30/06/2018 RM'000
Financing activities		
Interest paid	(1,256)	(1,684)
Net proceeds from borrowings	1,546	3,631
Net cash used in financing activities	290	1,947
Net decrease in cash and cash equivalents	(11,573)	(921)
Effects of exchange rate changes on cash and cash	1,256	109
Cash and cash equivalent at beginning of period	21,372	12,504
Cash and cash equivalent at end of financial period	11,055	11,692

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

	3 months to 30/06/2019 RM'000	3 months to 30/06/2018 RM'000
Cash and bank balances	18,026	19,327
Deposits placed with licensed banks	2,766	2,701
Total cash and bank balances	20,792	22,028
Bank overdrafts	(7,177)	(7,839)
Deposits pledged to licensed banks	(2,558)	(2,495)
Deposit with a licensed bank with maturity of over 3 months	(2)	(2)
Cash and cash equivalents at end of financial period	11,055	11,692

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2019.

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 2019. 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 2019.

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 2019, except for the adoption of the following standards, amendments and annual improvements to MFRSs with a date of initial application on 1 April 2019:

Description	
Amendments to MFRS 3	<i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>
Amendments to MFRS 9	<i>Prepayment Features with Negative Compensation</i>
Amendments to MFRS 11	<i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>
Amendments to MFRS 112	<i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>
Amendments to MFRS 119	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to MFRS 123	<i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>
Amendments to MFRS 128	<i>Long-term Interests in Associates and Joint Ventures</i>
IC Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>
MFRS 16	<i>Leases</i>

The adoption of the above Standards, Amendments, Interpretations and Annual Improvements to Standards did not result in significant changes in the accounting policies and have no significant effect on the financial position, results and disclosures in the financial statements of the Group in the period on initial application.

3. Qualification of Financial Statement

The auditors' report on the financial statements for the financial year ended 31 March 2019 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 30 June 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 30 June 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.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

9. Segmental Reporting

By Activities

Cumulative Quarter
30 June 2019

	Civil Engineering and Construction RM'000	Manufacturing RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue					
Revenue from external customers	52,797	12,548	-	-	65,345
Inter-segment revenue	-	-	1,735	(1,735)	-
Total revenue	52,797	12,548	1,735	(1,735)	65,345
Segment results	(252)	(3,540)	(776)	491	(4,077)
Other income	3,127	675	19	(621)	3,200
Finance costs	(705)	(106)	(2,567)	2,122	(1,256)
Share of results of associates	(43)	-	-	-	(43)
Tax expense	-	-	-	-	-
Loss for the financial period					(2,176)
Segment assets	305,076	174,888	124,399	(246,640)	357,723
Segment liabilities	222,177	273,335	187,468	(411,278)	271,702

Cumulative Quarter
30 June 2018

	Civil Engineering and Construction RM'000	Manufacturing RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue					
Revenue from external customers	36,393	18,403	-	-	54,796
Inter-segment revenue	-	-	1,979	(1,979)	-
Total revenue	36,393	18,403	1,979	(1,979)	54,796
Segment results	(198)	(19,326)	(932)	12,142	(8,314)
Other income	5,205	1,232	152	(1,026)	5,563
Finance costs	(634)	(75)	(1,721)	746	(1,684)
Share of results of associates	8	-	-	-	8
Tax benefit	1	-	-	-	1
Loss for the financial period					(4,426)
Segment assets	286,526	173,771	129,657	(223,267)	366,687
Segment liabilities	212,704	273,440	175,848	(368,247)	293,745

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 2019.

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 2019.

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	
	30/06/2019	30/06/2018	RM'000	%	30/06/2019	30/06/2018	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Segmental Turnover								
Civil Engineering and								
Construction	52,797	36,393	16,404	45	52,797	36,393	16,404	45
Manufacturing	12,548	18,403	(5,855)	(32)	12,548	18,403	(5,855)	(32)
Others	1,735	1,979	(244)	(12)	1,735	1,979	(244)	(12)
	<u>67,080</u>	<u>56,775</u>			<u>67,080</u>	<u>56,775</u>		
Inter-segment	(1,735)	(1,979)	244	12	(1,735)	(1,979)	244	12
	<u>65,345</u>	<u>54,796</u>	10,549	19	<u>65,345</u>	<u>54,796</u>	10,549	19

	Individual quarter ended		Variance		Cumulative quarter ended		Variance	
	30/06/2019	30/06/2018	RM'000	%	30/06/2019	30/06/2018	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Pre-tax profit/(loss)								
Civil Engineering and								
Construction	2,171	4,373	(2,202)	(50)	2,171	4,373	(2,202)	(50)
Manufacturing	(2,971)	(18,168)	15,197	84	(2,971)	(18,168)	15,197	(84)
Others	(3,324)	(2,501)	(823)	(33)	(3,324)	(2,501)	(823)	(33)
	<u>(4,124)</u>	<u>(16,296)</u>			<u>(4,124)</u>	<u>(16,296)</u>		
Elimination/Adjustments	1,991	11,862	(9,871)	(83)	1,991	11,862	(9,871)	(83)
	<u>(2,133)</u>	<u>(4,434)</u>			<u>(2,133)</u>	<u>(4,434)</u>		
Share of results of associates	(43)	8	(51)	>(100)	(43)	8	(51)	>(100)
	<u>(2,176)</u>	<u>(4,426)</u>	2,250	51	<u>(2,176)</u>	<u>(4,426)</u>	2,250	51
Loss after tax	(2,176)	(4,425)	2,249	51	(2,176)	(4,425)	2,249	51
Loss attributable to owners of the parent	(2,146)	(4,234)	2,088	49	(2,146)	(4,234)	2,088	49

For the current quarter under review, the Group recorded revenue of RM65.3 million and pre-tax loss of RM2.2 million, as compared to revenue of RM54.8 million and pre-tax loss of RM4.4 million respectively in the corresponding quarter.

The higher revenue in the current quarter was mainly due to higher progress billings in Civil Engineering and Construction division. The pre-tax loss in the current quarter was mainly attributed to Manufacturing division due to slow take-up by its customers and increase in raw material price while the higher pre-tax loss recorded in corresponding quarter was due to adjustments under MFRS 9 – *Financial Instruments* and MFRS 15 – *Revenue from Contracts with Customers*.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

15. Variation of Results Against Preceding Quarter

CURRENT QUARTER vs. IMMEDIATE PRECEDING QUARTER

	Individual quarter ended		Variance	
	30/06/2019 RM'000	31/03/2019 RM'000	RM'000	%
Segmental Turnover				
Civil Engineering and Construction	52,797	52,883	(86)	(0)
Manufacturing	12,548	12,030	518	4
Others	1,735	994	741	75
	<u>67,080</u>	<u>65,907</u>		
Inter-segment	(1,735)	(995)		
	<u>65,345</u>	<u>64,912</u>	433	1

	Individual quarter ended		Variance	
	30/06/2019 RM'000	31/03/2019 RM'000	RM'000	%
Pre-tax profit/(loss)				
Civil Engineering and Construction	2,171	4,075	(1,904)	(47)
Manufacturing	(2,971)	(6,332)	3,361	53
Others	(3,324)	(4,938)	1,614	33
	<u>(4,124)</u>	<u>(7,195)</u>		
Elimination	1,991	10,348		
	<u>(2,133)</u>	<u>3,153</u>		
Share of results of associates	(43)	(2)	(41)	>(100)
	<u>(2,176)</u>	<u>3,151</u>	(5,327)	>(100)
Loss after tax	(2,176)	(2,355)	179	(8)
Loss attributable to owners of the parent	(2,146)	(466)	(1,680)	>(100)

The Group recorded revenue of RM65.3 million and pre-tax loss of RM2.2 million for the first quarter ended 30 June 2019, compared to revenue of RM64.9 million and pre-tax profit of RM3.2 million respectively in the preceding quarter.

The Group's revenue for the first quarter recorded a marginal increase. The pre-tax loss in the current quarter was mainly attributed to Manufacturing division due to slow take-up by its customers and increase in raw material price while the pre-tax profit recorded in corresponding quarter was due to adjustments under MFRS 9 – *Financial Instruments*.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

16. Prospects for the remaining 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 within this 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. Loss Before Tax

The following items have been included in arriving at loss before tax:

	Individual quarter ended		Cumulative quarter ended	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
Interest income	(8)	(9)	(8)	(9)
Other income	(145)	(4,688)	(145)	(4,688)
Interest expense	1,256	1,684	1,256	1,684
Depreciation of property, plant and equipment	1,204	1,139	1,204	1,139
Impairment loss on trade and other receivables	21	1,887	21	1,887
Bad debts written off	-	-	-	-
Bad debts written back	(2,750)	(855)	(2,750)	(855)
Provision of slow moving stocks	-	-	-	-
Inventories written off	-	-	-	-
(Gain)/Loss on disposal of quoted investment	-	-	-	-
(Gain)/Loss on disposal of unquoted investment	-	-	-	-
Gain on disposal of property, plant and equipment	(241)	(32)	(241)	(32)
Net impairment of assets	-	-	-	-
Net gain on foreign exchange	(64)	855	(64)	855

19. Tax Benefit

	Individual quarter ended		Cumulative quarter ended	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
Current year's provision	-	1	-	1
	-	1	-	1

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

The Company had on 10 July 2019 entered into Heads of Agreement (“**HOA**”) with the following parties:-

- (i) Putrajaya Perdana Berhad (“**Putrajaya Perdana**”); and
 - (ii) Putra Perdana Development Sdn Bhd (“**Putra Perdana Development**”),
- (collectively referred to as “**Parties**” and each as “**Party**”).

The HOA sets out the general understanding and framework for the implementation of the following proposals:-

- (a) acquisition of 100% equity interest in Orangebeam Construction Sdn Bhd (*formerly known as Putra Perdana Construction Sdn Bhd*) (“**Orangebeam Construction**”) from Putrajaya Perdana for a purchase consideration to be determined at a later date (“**Proposed Acquisition of Orangebeam Construction**”); and
- (b) acquisition of 100% equity interest in Orangebeam Development Sdn Bhd (*formerly known as Senandung Budiman Sdn Bhd*) (“**Orangebeam Development**”) from Putra Perdana Development for a purchase consideration to be determined at a later date (“**Proposed Acquisition of Orangebeam Development**”),

(collectively referred to as, “**Proposed Acquisitions**”).

Under the HOA, the Parties shall in a collaborative effort, undertake the Proposed Acquisitions and to that end, the Parties will identify inter alia:

- (i) the respective roles and responsibilities of the Parties for the implementation of the Proposed Acquisitions;
- (ii) the appointment of the various consultants and advisers for the implementation of the Proposed Acquisitions;
- (iii) the detailed scope of the Proposed Acquisition and the time frame for their implementation;
- (iv) the manner of execution for the Proposed Acquisition.

The Parties shall execute the shares sale and purchase agreements for the acquisitions of Orangebeam Construction and Orangebeam Development (collectively, “**Shares Sale and Purchase Agreements**”) within three (3) months from date of the HOA (subject to agreements of the terms thereof) or such other period as may be mutually agreed by the Parties (“**Exclusivity Period**”).

The execution of the Shares Sale and Purchase Agreements shall be subject to, inter alia MTD ACPI being satisfied with the results of the financial and legal due diligence of accounts, books and other records, assets and liabilities of Orangebeam Construction and Orangebeam Development within the Exclusivity Period.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

21. Status of Corporate Proposals Announced (Continued)

The Shares Sale and Purchase Agreements and the performance of the terms of the Shares Sale and Purchase Agreements by the Parties in relation to the Proposed Acquisitions are conditional upon the obtaining of such approvals, consents, authorisations, permits or waivers of the relevant authorities or parties necessary or appropriate for and in connection with the undertaking, implementation and completion of the Proposed Acquisitions and all transactions contemplated thereunder, if required, within the period to be specified in the Shares Sale and Purchase Agreements.

In the event any of the Parties shall fail to execute any of the Shares Sale and Purchase Agreements within the Exclusivity Period, then the HOA shall be terminated forthwith and thereafter, no Party shall have any claim against the others save for any antecedent breach of the HOA or unless the Parties mutually agree to extend the Exclusivity Period.

This corporate exercise is on-going and will not have any effect on the share capital, substantial shareholders' shareholdings, net assets per share, gearing and earnings per share of the Company for the financial period ended 30 June 2019.

22. Borrowings and Debts Securities

The Group's borrowings which are denominated in Ringgit Malaysia are as follows: -

	As at 30/06/2019 RM'000	As at 31/03/2019 RM'000	As at 30/06/2018 RM'000
Short term borrowings			
<u>Secured</u>			
- Bank overdraft	3,769	2,994	4,437
- Hire purchase creditors	150	150	76
- Revolving credits	10,000	10,000	10,000
- Banker's acceptance	1,832	-	-
<u>Unsecured</u>			
- Bank overdraft	3,409	4,345	3,402
- Revolving credits	43,150	43,400	38,750
	62,310	60,889	56,665
Long term borrowings			
<u>Secured</u>			
- Hire purchase creditors	426	463	262
	62,736	61,352	56,927

23. Material Litigations

There were no significant changes in material litigation since the last annual statement of financial position as at 31 March 2019.

