

MTD ACPI ENGINEERING BERHAD

(Company No: 199301004099 (258836-V))

(Incorporated in Malaysia)

Quarterly report on consolidated results for the quarter ended 31 December 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	
		31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019 RM'000	31/12/2018 RM'000
Revenue	9	65,671	71,554	188,385	184,905
Cost of sales		(63,638)	(65,813)	(184,429)	(172,356)
Gross profit		2,033	5,741	3,956	12,549
Other items of income					
Other income		1,146	3,516	7,230	9,469
Other items of expense					
Selling and marketing expenses		(889)	(874)	(2,634)	(5,427)
Administrative and other expenses		(4,313)	(4,675)	(14,899)	(16,014)
Finance costs		(1,263)	(1,731)	(3,826)	(5,074)
Share of results of associates		(6)	(14)	(18)	(35)
(Loss)/Profit before tax		(3,292)	1,963	(10,191)	(4,532)
Tax benefit	19	-	-	-	67
(Loss)/Profit for the financial period		(3,292)	1,963	(10,191)	(4,465)
Other comprehensive (loss)/income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations		(65)	(2,457)	1,395	25
Revaluation surplus		-	15,781	-	15,781
Total comprehensive (loss)/income for the financial period, net of tax		(3,357)	15,287	(8,796)	11,341
(Loss)/Profit attributable to:					
Owners of the parent		(3,252)	1,991	(10,085)	(4,220)
Non-controlling interest		(40)	(28)	(106)	(245)
		(3,292)	1,963	(10,191)	(4,465)
Total comprehensive (loss)/profit attributable to:					
Owners of the parent		(3,292)	14,877	(9,248)	10,629
Non-controlling interest		(65)	410	452	712
		(3,357)	15,287	(8,796)	11,341
(Loss)/Profit per share attributable to owners of the parent (sen)					
Basic and diluted	25	(1.41)	0.86	(4.37)	(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 31/12/2019 RM'000	As at 31/03/2019 RM'000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	10	132,676	133,808
Investments in associates		503	522
Other investments		161	161
Trade receivables		54,253	40,201
Deferred tax assets		2,484	2,484
		<u>190,077</u>	<u>177,176</u>
Current assets			
Inventories		20,437	21,327
Other investments		38	38
Trade and other receivables		83,470	108,191
Contract assets		31,048	32,614
Current tax assets		8,228	6,248
Cash and bank balances		12,067	31,457
		<u>155,288</u>	<u>199,875</u>
Total Assets		<u>345,365</u>	<u>377,051</u>
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables		158,860	182,433
Contract liabilities		4,089	7,876
Provisions		1,885	1,884
Borrowings	22	65,664	60,889
		<u>230,498</u>	<u>253,082</u>
Net current liabilities		(75,210)	(53,207)

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTD.)

	Note	As at 31/12/2019 RM'000	As at 31/03/2019 RM'000 Audited
Non- current liabilities			
Trade payables		19,626	19,487
Provisions		6,731	7,242
Borrowings	22	529	463
Deferred tax liabilities		5,012	5,012
		<u>31,898</u>	<u>32,204</u>
Total Liabilities		<u>262,396</u>	<u>285,286</u>
Net Assets		<u>82,969</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		91,914	91,077
Accumulated losses		(360,692)	(350,607)
		<u>69,088</u>	<u>78,336</u>
Non-controlling interests		13,881	13,429
Total equity		<u>82,969</u>	<u>91,765</u>
Total equity and liabilities		<u>345,365</u>	<u>377,051</u>
Net Assets Per Share Attributable to Ordinary			
Holders of the Parent (RM)		0.36	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.

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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			
2020	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	-	(10,085)	(10,085)	(106)	(10,191)
Foreign currency translations	-	-	837	-	-	-	837	558	1,395
Total comprehensive income/(loss) for the financial period	-	-	837	-	-	(10,085)	(9,248)	452	(8,796)
Balance as at 31 December 2019	339,771	62,912	(253)	29,255	(1,905)	(360,692)	69,088	13,881	82,969

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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		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
2019									
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	-	-	-	-	-	(4,220)	(4,220)	(245)	(4,465)
Foreign currency translations	-	-	(932)	-	-	-	(932)	957	25
Revaluation surplus	-	15,781	-	-	-	-	15,781	-	15,781
Total comprehensive income/(loss) for the financial period	-	15,781	(932)	-	-	(4,220)	10,629	712	11,341
Balance as at 31 December 2018	339,771	62,971	(704)	29,255	(1,905)	(347,407)	81,981	15,575	97,556

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.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	9 months to 31/12/2019 RM'000	9 months to 31/12/2018 RM'000
Operating activities		
Loss before tax	(10,191)	(4,532)
<u>Adjustments for:</u>		
Interest income	(338)	(36)
Bad debts written off	-	8,702
Net impairment on financial assets	(5,964)	(7,417)
Net changes in provisions	-	(501)
Reversal of overprovision on payables	-	(4,395)
Depreciation of property, plant and equipment	3,566	3,402
Property, plant and equipment written off	-	39
Gain on disposal of property, plant and equipment	(272)	(268)
Interest expense	3,826	5,074
Net changes in liabilities for retirement benefit obligations	493	579
Unrealised foreign exchange loss/(gain), net	87	(259)
Share of results of associates	18	35
Total adjustments	1,416	4,955
Operating cash flows before changes in working capital	(8,775)	423
Changes in working capital		
Net change in current assets	18,992	(11,617)
Net change in current liabilities	(26,961)	4,684
Total changes in working capital	(7,969)	(6,933)
Cash flows used in operations	(16,744)	(6,510)
Retirement benefit paid	(1,004)	-
Net tax paid	(1,861)	(1,160)
Net cash flows used in operating activities	(19,609)	(7,670)
Investing activities		
Interest received	338	36
Purchase of property, plant and equipment	(2,442)	(1,704)
Placement of deposits pledged to licensed banks	(185)	(38)
Proceeds from disposal of property, plant and equipment	281	268
Net cash flows used in investing activities	(2,008)	(1,438)

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTD.)

	9 months to 31/12/2019 RM'000	9 months to 31/12/2018 RM'000
Financing activities		
Interest paid	(3,826)	(5,074)
Net proceeds from borrowings	5,314	8,863
Net cash from financing activities	1,488	3,789
Net decrease in cash and cash equivalents	(20,129)	(5,319)
Effects of exchange rate changes on cash and cash	1,286	(237)
Cash and cash equivalent at beginning of period	21,372	12,504
Cash and cash equivalent at end of financial period	2,529	6,948

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

	9 months to 31/12/2019 RM'000	9 months to 31/12/2018 RM'000
Cash and bank balances	9,192	14,027
Deposits placed with licensed banks	2,875	2,729
Total cash and bank balances	12,067	16,756
Bank overdrafts	(6,867)	(7,291)
Deposits pledged to licensed banks	(2,669)	(2,515)
Deposit with a licensed bank with maturity of over 3 months	(2)	(2)
Cash and cash equivalents at end of financial period	2,529	6,948

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.

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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 31 December 2019.

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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 December 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

31 December 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	148,393	39,992	-	-	188,385
Inter-segment revenue	-	59	4,580	(4,639)	-
Total revenue	148,393	40,051	4,580	(4,639)	188,385
Segment results	256	(11,330)	(3,231)	728	(13,577)
Other income	7,874	4,808	157	(5,609)	7,230
Finance costs	(2,097)	(382)	(7,756)	6,409	(3,826)
Share of results of associates	(18)	-	-	-	(18)
Tax expense	-	-	-	-	-
Loss for the financial period					(10,191)
Segment assets	284,490	177,739	124,920	(252,495)	334,654
Segment liabilities	198,818	279,584	195,655	(416,672)	257,385

Cumulative Quarter

31 December 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	134,435	50,470	-	-	184,905
Inter-segment revenue	-	5	5,834	(5,839)	-
Total revenue	134,435	50,475	5,834	(5,839)	184,905
Segment results	6,513	(25,813)	(2,678)	13,086	(8,892)
Other income	6,767	5,350	868	(3,516)	9,469
Finance costs	(1,966)	(142)	(5,237)	2,271	(5,074)
Share of results of associates	(35)	-	-	-	(35)
Tax benefit	1	66	-	-	67
Loss for the financial period					(4,465)
Segment assets	303,171	168,512	130,129	(225,861)	375,951
Segment liabilities	221,397	273,224	181,043	(370,820)	304,844

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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.

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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	
	31/12/2019	31/12/2018	RM'000	%	31/12/2019	31/12/2018	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Segmental Turnover								
Civil Engineering and								
Construction	51,221	54,624	(3,403)	(6)	148,393	134,435	13,958	10
Manufacturing	14,510	16,930	(2,420)	(14)	40,052	50,475	(10,423)	(21)
Others	1,082	1,722	(640)	(37)	4,580	5,834	(1,254)	(21)
	<u>66,813</u>	<u>73,276</u>			<u>193,025</u>	<u>190,744</u>		
Inter-segment	(1,142)	(1,722)	580	34	(4,640)	(5,839)	1,199	21
	<u>65,671</u>	<u>71,554</u>	<u>(5,883)</u>	<u>(8)</u>	<u>188,385</u>	<u>184,905</u>	<u>3,480</u>	<u>2</u>
	Individual quarter ended		Variance		Cumulative quarter ended		Variance	
	31/12/2019	31/12/2018	RM'000	%	31/12/2019	31/12/2018	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Pre-tax profit/(loss)								
Civil Engineering and								
Construction	2,252	2,249	3	0	6,032	11,315	(5,283)	(47)
Manufacturing	(1,631)	1,695	(3,326)	196	(6,904)	(20,606)	13,702	(66)
Others	(3,818)	(1,953)	(1,865)	(95)	(10,830)	(7,047)	(3,783)	(54)
	<u>(3,197)</u>	<u>1,991</u>			<u>(11,702)</u>	<u>(16,338)</u>		
Elimination/Adjustments	(89)	(14)	(75)	>(100)	1,529	11,841	(10,312)	(87)
	<u>(3,286)</u>	<u>1,977</u>			<u>(10,173)</u>	<u>(4,497)</u>		
Share of results of associates	(6)	(14)	8	57	(18)	(35)	17	49
	<u>(3,292)</u>	<u>1,963</u>	<u>(5,255)</u>	<u>>(100)</u>	<u>(10,191)</u>	<u>(4,532)</u>	<u>(5,659)</u>	<u>>(100)</u>
(Loss)/Profit after tax	(3,292)	1,963	(5,255)	>(100)	(10,191)	(4,465)	(5,726)	>(100)
(Loss)/Profit attributable to owners of the parent	(3,252)	1,991	(5,243)	>(100)	(10,085)	(4,220)	(5,865)	>(100)

For the current quarter under review, the Group recorded revenue of RM65.7 million and pre-tax loss of RM3.3 million, as compared to revenue of RM71.6 million and pre-tax profit of RM2.0 million respectively in the corresponding quarter.

Lower revenue recorded in the current quarter under review were due to lower progress billings in Civil Engineering and Construction division and lower turnover registered by the Manufacturing division. The pre-tax loss in the current quarter was mainly due to losses incurred by the Manufacturing division.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

15. Variation of Results Against Preceding Quarter

CURRENT QUARTER vs. IMMEDIATE PRECEDING QUARTER

	Individual quarter ended		Variance	
	31/12/2019	30/09/2019	RM'000	%
	RM'000	RM'000		
Segmental Turnover				
Civil Engineering and Construction	51,221	44,375	6,846	15
Manufacturing	14,510	12,994	1,516	12
Others	1,082	1,763	(681)	(39)
	<u>66,813</u>	<u>59,132</u>		
Inter-segment	(1,142)	(1,763)		
	<u>65,671</u>	<u>57,369</u>	8,302	14

Pre-tax profit/(loss)	Individual quarter ended		Variance	
	31/12/2019	30/09/2019	RM'000	%
	RM'000	RM'000		
Civil Engineering and Construction	2,252	1,609	643	40
Manufacturing	(1,631)	(2,302)	671	29
Others	(3,818)	(3,688)	(130)	(4)
	<u>(3,197)</u>	<u>(4,381)</u>		
Elimination	(89)	(373)	284	76
	<u>(3,286)</u>	<u>(4,754)</u>		
Share of results of associates	(6)	31	(37)	119
	<u>(3,292)</u>	<u>(4,723)</u>	1,431	30
Loss after tax	(3,292)	(4,723)	1,431	30
Loss attributable to owners of the parent	(3,252)	(4,687)	1,435	31

The Group recorded revenue of RM65.7 million and pre-tax loss of RM3.3 million for the third quarter ended 31 December 2019, compared to revenue of RM57.4 million and pre-tax loss of RM4.7 million respectively in the preceding quarter.

The lower pre-tax loss recorded in the current quarter was mainly contributed by the higher profit recorded in the Civil Engineering and Construction division and improvement in costs recorded in the Manufacturing division.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

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

The Group will continue to aggressively explore opportunities to replenish its order book, leveraging on its vast experience, competitiveness and track record in the construction industry. The challenging environment is expected to continue. The Board remains hopeful about the cost management initiatives implemented in its Manufacturing division.

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)/Profit Before Tax

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

	Individual quarter ended		Cumulative quarter ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Interest income	(204)	(13)	(338)	(36)
Other income	113	(249)	(420)	(5,008)
Interest expense	1,263	1,731	3,826	5,074
Depreciation of property, plant and equipment	1,202	1,122	3,566	3,402
Impairment loss on trade and other receivables	20	374	65	2,338
Bad debts written off	-	-	-	8,702
Bad debts written back	(946)	(5)	(6,029)	(9,755)
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	(3)	(154)	(272)	(268)
Net impairment of assets	-	-	-	-
Net (gain)/loss on foreign exchange	(65)	(3,833)	86	(2,623)

19. Tax Benefit

	Individual quarter ended		Cumulative quarter ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Current year's provision	-	-	-	67
	-	-	-	67

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

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

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 Parties had on 10 October 2019 via an extension letter dated 10 October 2019 mutually agreed to extend the Exclusivity Period for a further of six (6) months until 9 April 2020 to finalise the valuation, due diligence, negotiation on the terms of the Proposed Acquisitions prior to the execution of the definitive agreement.

On 18 February 2020, the Parties had entered into a deed of mutual termination to terminate the HOA effective on even date. Pursuant to the Deed of Termination, each Party shall not have any claims whatsoever against the other Party pursuant to or in connection with the HOA.

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22. Borrowings and Debts Securities

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

	As at 31/12/2019 RM'000	As at 31/03/2019 RM'000	As at 31/12/2018 RM'000
Short term borrowings			
<u>Secured</u>			
- Bank overdraft	3,489	2,994	4,102
- Hire purchase creditors	150	150	76
- Revolving credits	10,000	10,000	52,350
- Banker's acceptance	5,797	-	-
<u>Unsecured</u>			
- Bank overdraft	3,378	4,345	3,188
- Revolving credits	42,850	43,400	1,500
	65,664	60,889	61,216
Long term borrowings			
<u>Secured</u>			
- Hire purchase creditors	529	463	394
	66,193	61,352	61,610

23. Material Litigations

The Company and its subsidiaries have no material litigations except as disclosed below:-

a) **Associated Concrete Products (Malaysia) Sdn Bhd ("ACPM") vs Hap Seng Trading (BM) Sdn Bhd ("HSTSB")**

A wholly-owned subsidiary of the Company, ACPM, which is not a major subsidiary, had on 9 October 2019 received a winding up Statutory Notice Issued Pursuant to Section 466(1)(a) of the Companies Act 2016 dated 7 October 2019 ("Notice") from Messrs. K.Y. Soo, the Solicitors who act on behalf of HSTSB, demanding the sum of RM143,525.15 plus interest at the rate of 5.0% per annum on the said sum until the date of full settlement and cost of RM1,000.00 (collectively, the "Claims") as per Shah Alam Sessions Court Judgment dated 6 September 2019.

ACPM has twenty-one (21) days from the receipt of the Notice to settle the Claims, failing which winding up proceedings will be taken against ACPM.

On 12 November 2019, ACPM's solicitors, Messrs. Azmi Fadzly Maha & Sim had received a letter from Messrs. K.Y. Soo stating that HSTSB had confirmed the successful encashment of ACPM's cheque for the sum of RM86,115.09 as a full and final settlement of Shah Alam Sessions Court Judgment dated 6 September 2019.

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23. Material Litigations (Cont'd)

The Company and its subsidiaries have no material litigations except as disclosed below (Cont'd):-

b) In the matter of an arbitration between MTD Construction Sdn Bhd (“MTDC”) and Kerajaan Malaysia (“GOM”)

The Arbitrator had, vide a final award save as to costs dated 13 September 2019 (“Final Award”), declared, directed and/or awarded in favour of MTDC the following:

- i) MTDC is not responsible to rectify the distress on the slope at Chainage (Ch.) 26+000 of the Project;
- ii) MTDC ought to have been issued with a Certificate of Completion of Making Good Defects as at 23 February 2006;
- iii) GOM had wrongly called or demanded the pay out of the Retention Guarantee;
- iv) GOM shall pay or refund to MTDC the sum of RM14,100,000.00 being the amount of the Retention Guarantee;
- v) GOM shall pay to MTDC simple interest on the sum of RM14,100,000.00 at the rate of 5% per annum from 3 March 2011 to the date of full payment of this sum;
- vi) The costs and expenses of the Arbitration shall be paid by GOM to MTDC, the quantum of which shall be determined and awarded at a later time, if required by the parties; and
- vii) All counterclaims by GOM are dismissed.

The Final Award was received by MTDC on 15 October 2019, upon the Arbitrator’s receipt of GOM’s share of the balance of the Arbitrator’s fees.

MTDC is assessing possible course of actions on this matter and seeking advice from its solicitors on the enforcement of the Final Award.

There is no financial and operational impact of the Final Award on the group, until the payment is received by MTDC.

24. Dividend Payable

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

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25. (Loss)/Earnings per Share

a) Basic and diluted

Basic and diluted (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.

	Individual quarter ended		Cumulative quarter ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit, net of tax attributable to owners of the parent	(3,252)	1,991	(10,085)	(4,220)
	<u>(3,252)</u>	<u>1,991</u>	<u>(10,085)</u>	<u>(4,220)</u>
	Individual quarter ended		Cumulative quarter ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	230,996	230,996	230,996	230,996
	<u>230,996</u>	<u>230,996</u>	<u>230,996</u>	<u>230,996</u>
	Individual quarter ended		Cumulative quarter ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Basic and diluted (loss)/earnings per share (RM)	(1.41)	0.86	(4.37)	(1.83)
	<u>(1.41)</u>	<u>0.86</u>	<u>(4.37)</u>	<u>(1.83)</u>

By Order Of The Board

Batu Caves, Selangor
28 February 2020