PART A: EXPLANATORY NOTES AS PER FRS 134

A1. Basis of Preparation of Interim Financial Reports

The interim financial statements are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Listing Requirements and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 March 2014 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

Within the context of these condensed consolidated financial statements, the Group comprises the Company and its subsidiaries as at end for the quarter ended 31 March 2015.

Except as described below, the same accounting policies and methods of computation are followed in the condensed consolidated financial statements as compared with the consolidated financial statements for 31 March 2014.

As of 1 April 2014, the Group and the Company have adopted the following MFRSs and amendments which are effective for annual periods beginning on or after 1 April 2014.

Effective for annual periods commencing on or after 1 April 2014

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements (2011): Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

The adoption of the above MFRSs and amendments does not have any material impact on the financial statements.

The following MFRS, amendments and interpretations to existing standards that are applicable to the Group but not yet effective and have not been early adopted.

Effective for annual periods commencing on or after 1 July 2014

MFRS 15	Revenue from Contract with Customer
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)
Amendments to MFRS 2	Share-based Payment (Annual Improvements 2010-2012 Cycle)

Amendments to MFRS 3	Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 8	Operating Segments (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 13	Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 119	Employee Benefits – Defined Benefit Plans: Employee Contributions
Amendments to MFRS 124	Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 138	Intangible Assets (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 140	Investment Property (Annual Improvements 2011-2013 Cycle)

Effective for annual periods commencing for a date yet to be confirmed

MFRS 9	Financial Instruments (2009)
MFRS 9	Financial Instruments (2010)
MFRS 9	Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139
Amendments to MFRS 7	Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures

A2. Qualification of Financial Statements

The preceding year annual financial statements were not subject to any qualification.

A3. Seasonal or Cyclical Factors

The Group's results were not materially affected by any major seasonal or cyclical factors.

A4. Unusual and Extraordinary Items

There were no unusual and/or extraordinary items affecting assets, liabilities, equity, net income or cashflows during the period under review.

A5. Material Changes in Estimates

The Group makes assumptions concerning the future and other sources of estimation uncertainty at the balance sheet date including impairment of intangible assets, depreciation on property, plant and equipment, deferred tax assets that could arise from unused tax losses and unabsorbed capital allowances, assessment of penalties and indirect taxes payable, construction contracts profits and capitalised development expenditure.

There was no material changes in estimates reported in the period under review.

A6. Issuance and Repayment of Debt and Equity Securities

There were no issuances, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Company during the period under review.

A7. Dividends Paid

No dividends were paid during the period under review.

A8. Segmental Information

	3-mths ended		YTD 12-mths ended	
	31.03.15	31.03.14	31.03.15	31.03.14
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Rail	34,433	44,454	191,912	195,831
Commercial Vehicles	16,547	3,693	46,409	40,494
Corporate	-	-	-	573
Revenue	50,980	48,147	238,321	236,898
Segment Results				
Rail	(1,627)	(2,496)	(199)	(30,632)
Commercial Vehicles	(1,737)	2,027	(397)	(420)
Corporate expenses	1,747	(182)	(1,452)	(3,590)
Loss before taxation	(1,617)	(651)	(2,048)	(34,642)
Tax credit/(expense)	1,798	(2,832)	2,426	(3,116)
(Loss)/profit for the financial period	181	(3,483)	378	(37,758)

A9. Material Events Subsequent to the End of the Period

There were no material events subsequent to the end of the period under review.

A10. Contingent Liabilities

There were no contingent liabilities for the Group as at 31 March 2015.

A11. Capital and Operating Lease Commitments

(a) The capital commitments not provided for in the financial statements are as follows:

	31.03.15 RM'000	31.03.14 RM'000
Approved and contracted for		
- Property, plant and equipment	112	1,015
- Development costs	-	-
	112	1,015
Approved but not contracted for		
- Property, plant and equipment	5,096	6,348
- Development costs	-	25,780
	5,096	32,128
Total	5,208	33,143

(b) The Group has entered into non-cancellable operating lease agreement for property, plant and equipment. Commitments for future minimum lease payments are as follows:

	31.03.15 RM'000	31.03.14 RM'000
Due within 1 year	65	127
Due within 1 and 2 years	22	46
Due later than 2 years	6	12
Total	93	185

A12. Significant Related Party Transactions

The following are the Group's significant related party transactions:

	3-mths ended 31.03.15 RM'000	YTD 12-mths ended 31.03.15 RM'000
Transactions with a company connected to a Director		
- provision of airline ticketing services	-	139
Sharing of rental and office relocation costs with immediate holding company	186	558

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1. Review of Performance

Performance of each operating segment are analysed below:

(a) Rail segment

Revenue for the current quarter is RM34.4 million, as compared to RM44.4 million for the corresponding quarter in 2014, lower by RM10.0 million. The segment posted revenue for the financial year to date of RM191.9 million, which was lower by RM3.9 million as compared to the corresponding year to date of RM195.8 million. This was mainly due to lower value of work done and reversal of revenue over recognised arising from further weakening of INR against RM based on forward rate for Mumbai monorail project, mitigated by recognition of EOT claims on Brazil monorail project for the period.

The segment posted a loss before taxation of RM1.6m for the current quarter as compared to loss before taxation of RM2.5 million for the corresponding quarter in 2014. As for the financial year to date, the segment recorded a loss before tax of RM0.2m as compared to loss before taxation in the corresponding year of RM30.6 million.

These were mainly due to lower unrealised foreign exchange losses arising from translation of accrued receivables for the Mumbai monorail project as a result of strengthening of the INR against RM at 16.9980 at end of March 2015 (end of March 2014: 18.3047) for the quarter. This was netted off against higher unrealised foreign exchange losses arising from translation of Brazil USD loan due to further weakening of BRL against USD at 3.2080 at end of March 2015 (end of March 2014: 2.3918) and lower overheads as a result of the cost optimization in Rail segment.

The banking facilities for the projects are also supported by securities that are open to market fluctuations and may require additional support if the need arises.

(b) Commercial Vehicles segment

Coach and SPV were being managed as a single unit, called Commercial Vehicles with effect from 1 December 2014 to enhance the operational efficiencies.

Revenue for the current quarter is RM16.5 million, higher by RM12.8 million as compared to RM3.7 million for the corresponding quarter. Revenue for the financial year to date is RM46.4 million, higher by RM5.9 million as compared to RM40.5 million in the corresponding financial year to date.

The segment posted a loss before taxation for the current quarter of RM1.7 million as compared against profit before taxation of RM2.0 million recorded in the corresponding quarter. For the financial year to date, the segment recorded a loss before taxation of RM0.397 million as compared to the loss before taxation for the corresponding financial year to date of RM0.420 million.

Lower losses were mainly due to lower overheads as a result of the cost optimization in Commercial Vehicles segment.

B2. Results against Preceding Quarter

The Group recorded a revenue of RM60.7 million for the current quarter as compared to RM48.1 million for the corresponding quarter in 2014, higher by RM12.6 million due to higher revenue generated from Rail segment.

The Group posted a profit after taxation for the current quarter of RM0.181 million as compared to loss after taxation of RM3.5 million for the corresponding quarter in 2014.

For the financial year to date, the Group recorded a profit after taxation of RM0.378 million as compared to the loss after taxation for the corresponding financial year to date of RM37.8 million due to improved margins for some projects. The cost optimisation programs also resulted in overall improvements.

Finally there were unrealised foreign exchange losses arising mainly from translation of Brazil USD loan due to further weakening of BRL against USD at 3.2080 at end of March 2015 (end of March 2014: 2.3918). This was mitigated by unrealised foreign exchange gains from translation of Mumbai accrued receivables due to strengthening of INR against RM at 16.9980 at end of March 2015 (end of March 2014: 18.3047) and recognition of deferred tax assets in Brazil.

B3. Prospects

The Kuala Lumpur Monorail Fleet Expansion Project and the Mumbai Monorail Projects are expected to be completed by first half of 2016.

A continuous cost optimization program has been implemented. This program is expected to continue over the next quarters.

The Group continues to pursue projects in multiple markets. It has secured the Line 18 Sao Paulo Monorail Project and financial close for the same is done.

The Commercial Vehicles business secured a contract for chassis assembly within the quarter. The Group continues to pursue new growth opportunities in the leasing and maintenance business locally and abroad.

With the continued challenges to the Brazilian and Indian currencies, the Group is cautious about the coming financial year.

B4. Profit Forecast or Profit Guarantee

The Group has not provided any profit forecast or profit guarantee.

B5. Tax Expense/(Credit)

	3-mths ended		YTD 12-mths ended	
	31.03.15	31.03.14	31.03.15	31.03.14
	RM'000	RM'000	RM'000	RM'000
Current tax				
Malaysian income tax	436	1,314	836	1,598
Foreign tax	1,156	1,518	1,156	1,518
	1,592	2,832	1,992	3,116
Deferred tax	(3,390)	-	(4,418)	-
Total tax (credit)/expense	(1,798)	2,832	(2,426)	3,116

Domestic current income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the taxable profit for the period. Taxation for the other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

B6. Status of Corporate Proposal

There were no corporate proposals announced but not completed as at the date of issue of this report.

B7. Group Borrowings

The group borrowings are as follows:

Secured	**31.03.15**	**31.03.14**
	RM'000	**RM'000**
Non-Current		
Revolving credits	7,252	14,357
Finance lease liabilities	6,428	9,233
	13,680	23,590
Current		
Bank overdrafts	80,162	175,902
Term loans	151,406	34,037
Trade facilities	21,614	2,610
Finance lease liabilities	2,860	2,103
Revolving credits	250,896	261,409
	506,938	476,061
Total		
Bank overdrafts	80,162	175,902
Term loans	151,406	34,037
Trade facilities	21,614	2,610
Finance lease liabilities	9,288	11,336
Revolving credits	258,148	275,766
Total borrowings	520,618	499,651

The group borrowings are denominated in the following currencies:

	31.03.15 RM'000 equivalent	**31.03.14 RM'000 equivalent**
Ringgit Malaysia	401,811	390,293
United States Dollar	21,516	14,531
Brazillian Real	37,450	34,037
Indian Rupee	59,841	60,790
	520,618	499,651

B8. Changes in Material Litigation

There has been no change in material litigation.

B9. Dividend Declared

No interim dividend has been declared for the current period under review.

B10. Earnings/(loss) Per Share

The computations for earnings/(loss) per share are as follows:-

	3-mths ended		**YTD 12-mths ended**	
	31.03.15 RM'000	31.03.14 RM'000	31.03.15 RM'000	31.03.14 RM'000
Loss/(profit) for the period	181	(3,483)	378	(37,758)
Weighted average no. of shares in issue ('000)	342,080	342,080	342,080	342,080
Loss/(profit) per share (sen)	0.05	(1.02)	0.11	(11.04)

There was no dilution in the earnings per share of the Company as at 31 March 2015 as the market price of the Company's ordinary shares was anti-dilutive, since the market price was lower than the exercise price.

B11. Current Status of the Matter Giving Rise to Qualification of Financial Statements

The preceding annual financial statement was not qualified.

B12. Additional Information:

The following items are included in the statement of comprehensive income:-

	3-mths ended		YTD 12-mths ended	
	31.03.15 RM'000	31.03.14 RM'000	31.03.15 RM'000	31.03.14 RM'000
Profit/(Loss) before taxation is stated after crediting:-				
- Interest income	189	328	996	2,334
Profit/(Loss) before taxation is stated after charging:-				
- Interest expense	8,263	12,594	33,251	37,878
- Depreciation and amortisation	4,568	2,604	14,218	8,546
- Unrealised foreign exchange losses/(gains)	(1,846)	(16,580)	(4,379)	6,207
- Realised foreign exchange (gains)/losses	(4,904)	1,330	(1,559)	6,854

Note: The finance costs included within cost of sales amounted to RM5.5 mil (2014: RM 9.2 mil) and RM26.0 mil (2014: RM31.3 mil) for the current quarter and year to date respectively.

There were no provision for and write off of receivables and inventories, gain or loss on disposal of quoted or unquoted investments, impairment assets and exceptional items.

B13. Retained Earnings /(Accumulated Losses)

	As at	
	31.03.15 **RM'000**	**31.03.14** **RM'000**
Total accumulated (losses)/retained earnings of the Company and its subsidiaries :		
Realised	(203,529)	(203,111)
Unrealised	(14,304)	(8,006)
	(217,833)	(211,117)
Less : Consolidation adjustments	82,280	75,042
Total Group accumulated losses	(135,553)	(136,075)

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 May 2015.