



ROHAS TECNIC BERHAD
(302675-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM
1 JANUARY 2018 TO 31 MARCH 2018

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ROHAS TECNIC BERHAD (302675-A)

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the 1st quarter ended 31 March 2018

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Period	Preceding	Variance	Current Period	Preceding	Variance
	Quarter	Period		To date	Period	
	31-03-2018	Corresponding 31-03-2017		31-03-2018	Corresponding 31-03-2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	86,955	53,252	63%	86,955	53,252	63%
Cost of sales	(68,375)	(38,832)		(68,375)	(38,832)	
Gross profit	18,580	14,420	29%	18,580	14,420	29%
Other income	1,627	961		1,627	961	
Distribution expenses	(454)	(272)		(454)	(272)	
Administrative expenses	(6,746)	(7,933)		(6,746)	(7,933)	
Operating profit	13,007	7,176	81%	13,007	7,176	81%
Regularisation Plan expense	-	(3,978)		-	(3,978)	
Share-based payment expense	-	(21,414)		-	(21,414)	
Finance costs	(1,911)	(579)		(1,911)	(579)	
Share of result of an associate	19	(27)		19	(27)	
Profit/(Loss) before tax	11,115	(18,822)	159%	11,115	(18,822)	159%
Tax expense	(2,584)	(1,503)		(2,584)	(1,503)	
Profit/(Loss) after tax	8,531	(20,325)	142%	8,531	(20,325)	142%
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Unrealised currency translation differences	24	(67)		24	(67)	
Fair value of available-for-sale financial assets	-	183		-	183	
Total comprehensive profit/(loss)	8,555	(20,209)	142%	8,555	(20,209)	142%

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Period	Preceding	Variance	Current Period	Preceding	Variance
	Quarter	Period		To date	Period	
	31-03-2018	Corresponding 31-03-2017		31-03-2018	Corresponding 31-03-2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(Loss) after tax attributable to:						
Owners of the company	8,237	(20,325)		8,237	(20,325)	
Non-controlling interests	294	-		294	-	
	<u>8,531</u>	<u>(20,325)</u>	142%	<u>8,531</u>	<u>(20,325)</u>	142%
Total comprehensive income/(loss) attributable to:						
Owners of the company	8,261	(20,209)		8,261	(20,209)	
Non-controlling interests	294	-		294	-	
	<u>8,555</u>	<u>(20,209)</u>	142%	<u>8,555</u>	<u>(20,209)</u>	142%
Dividends per share (sen)	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	
Earnings per share (sen)						
Basic	1.80	(5.08)		1.80	(5.08)	
Diluted	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	

(The Condensed Consolidated Statements Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements)

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QUARTERLY REPORT

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The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at Current Period To Date 31-03-2018 RM'000	Audited As at Preceding Financial Year Ended 31-12-2017 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	45,972	46,684
Investment in an associate	3,664	4,134
Other investments	1,794	1,960
Deferred tax assets	3,856	3,856
Goodwill	7,545	7,545
Total non-current assets	62,831	64,179
CURRENT ASSETS		
Inventories	116,255	117,378
Trade and other receivables	295,071	313,797
Amount due from contract customers	103,229	93,517
Tax recoverable	3,243	3,715
Cash and bank balances, deposits and short-term placements	85,111	104,685
Total current assets	602,909	633,092
TOTAL ASSETS	665,740	697,271
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owner of the Company:		
Share capital	299,484	299,484
Other reserves	(103,194)	(101,873)
Retained earnings	125,822	116,288
	322,112	313,899
Non-controlling interests	29,922	29,628
Total equity	352,034	343,527
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term borrowings	17,512	18,340
Deferred tax liabilities	128	212
Finance lease liabilities	243	988
Retirement benefits	2,914	5,830
Total non-current liabilities	20,797	25,370

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at Current Period To Date 31-03-2018 RM'000	Audited As at Preceding Financial Year Ended 31-12-2017 RM'000
CURRENT LIABILITIES		
Trade and other payables	191,191	205,520
Amount due to contract customers	146	15,817
Borrowings	99,750	105,600
Finance lease liabilities	1,410	911
Tax payable	412	526
Total current liabilities	<u>292,909</u>	<u>328,374</u>
Total liabilities	<u>313,706</u>	<u>353,744</u>
TOTAL EQUITY AND LIABILITIES	<u>665,740</u>	<u>697,271</u>
Net Assets Per share attributable to equity holders of parent (RM)	<u>0.74</u>	<u>0.73</u>

(The Condensed Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share Capital RM'000	Non-distributable			Distributable		Total RM'000	Non-controlling Interests RM'000	Total RM'000
		Reserve upon consolidation RM'000	Fair value adjustment reserve RM'000	Foreign Currency translation reserve RM'000	Retained earnings RM'000				
Balance at 1 January 2018									
- as previously stated	299,484	(104,799)	1,297	1,629	116,288	313,899	29,628	343,527	
- effect of changes in accounting policies	-	-	(1,297)	-	1,297	-	-	-	
Balance at 1 January 2018, as restated	299,484	(104,799)	-	1,629	117,585	313,899	29,628	343,527	
Foreign currency translation for foreign operations	-	-	-	(24)	-	(24)	-	(24)	
Profit after taxation	-	-	-	-	8,237	8,237	294	8,531	
Total comprehensive income	-	-	-	(24)	8,237	8,213	294	8,507	
Balance at 31 March 2018	299,484	(104,799)	-	1,605	125,822	322,112	29,922	352,034	
Balance at 1 January 2017	73,787	-	1,126	505	118,110	193,528	-	193,528	
Issuance of shares pursuant to acquisition of REIB	200,000	-	-	-	-	200,000	-	200,000	
Adjustment arising from Regularisation Plan	(69,748)	(104,798)	-	-	161	(174,385)	-	(174,385)	
Issuance of shares pursuant to private placement	26,285	-	-	-	-	26,285	-	26,285	
Fair value of available-for-sale financial assets	-	-	183	-	-	183	-	183	
Foreign currency translation for foreign operations	-	-	-	(67)	-	(67)	-	(67)	
Loss after taxation	-	-	-	-	(20,325)	(20,325)	-	(20,325)	
Total comprehensive income	-	-	183	(67)	(20,325)	(20,209)	-	(20,209)	
Balance at 31 March 2017	230,324	(104,798)	1,309	438	97,946	225,219	-	225,219	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements)

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The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year To date 31-03-2018 <u>RM'000</u>	Current Year To date 31-03-2017 <u>RM'000</u>
OPERATING ACTIVITIES		
Net Profit/(Loss) for the financial period	11,115	(18,822)
Adjustments for non-cash movements:		
Share of results of an associate	(19)	27
Depreciation of property, plant and equipment	1,689	819
Provision for retirement benefits	-	160
Allowance for impairment losses on receivables	-	796
Write down of inventories	70	416
Unrealised loss/(gain) in foreign exchange	211	(95)
Interest expense	1,191	579
Interest income	(592)	(372)
Share-based payment expense	-	21,414
Gain on disposal of property, plant and equipment	-	(5)
	<u>13,665</u>	<u>4,917</u>
Changes in working capital:		
Inventories	1,053	(5,996)
Bills payable	(8,621)	16,573
Receivables, deposits and prepayments	(6,137)	(16,097)
Payables	(14,540)	(1,706)
	<u>(14,580)</u>	<u>(2,309)</u>
Cash flow used in operations	(14,580)	(2,309)
Interest paid	(1,166)	(567)
Income Tax paid, net of refund	(2,310)	(732)
Provision for retirement benefits paid	(2,916)	-
	<u>(20,972)</u>	<u>(3,608)</u>
Net cash used in operating activities	(20,972)	(3,608)
INVESTING ACTIVITIES		
Acquisition of quoted investments		
Purchase of property, plant and equipment	(977)	(427)
Proceeds from disposal of property, plant and equipment	-	34
Change in bank balances pledged as security	(1,928)	-
Interest received	592	372
	<u>(2,313)</u>	<u>(21)</u>
Net cash used in investing activities	(2,313)	(21)

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QUARTERLY REPORT

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The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year To date 31-03-2018 <u>RM'000</u>	Current Year To date 31-03-2017 <u>RM'000</u>
FINANCING ACTIVITIES		
Interest paid	(25)	(12)
Repayment of hire purchase liabilities	(246)	(225)
Proceed from issuance of share capital	-	26,285
Net cash (used in)/generated from financing activities	<u>(271)</u>	<u>26,048</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(23,556)	22,419
CASH AND CASH EQUIVALENTS BALANCE AT THE BEGINNING OF THE FINANCIAL PERIOD	67,830	44,794
FOREIGN EXCHANGE DIFFERENCES ARISING ON OPENING BALANCE	110	197
CASH AND CASH EQUIVALENTS BALANCE AT THE END OF THE FINANCIAL PERIOD	<u>44,384</u>	<u>67,410</u>
Presented by:		
Deposits with financial institution	33,957	32,009
Deposits with fund management corporation	24,696	2,727
Cash and bank balances	<u>26,458</u>	<u>32,674</u>
	85,111	67,410
Less: Bank balances pledged as security	(35,514)	-
Less: Bank overdraft	(5,213)	-
Cash and cash equivalents	<u>44,384</u>	<u>67,410</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT

Quarterly report on consolidated results for the 1st quarter ended 31 March 2018
The figures have not been audited.

A. EXPLANATORY NOTES

A1 Basis of Preparation

This interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements for the financial period ended 31 December 2017 and the explanatory notes attached to the interim financial statements.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 31 December 2017.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial period ended 31 December 2017, except for the changes in accounting policies and presentation resulting from the adoption of new and revised MFRSs and amendments to MFRSs that are effective for financial period:

MFRS effective 1 January 2018:

MFRS 9, Financial Instruments
MFRS 15, Revenue from Contracts with Customers

A2 Significant Accounting Policies

A2.1 Adoption of Amendments/Improvements to MFRS

At the beginning of the current financial year, the Group adopted amendments/ improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2018. The initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements, except for:-

MFRS 9, Financial Instruments

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group adopted the new standards on the required effective date and will not restate comparative information. During 2017, the Group have performed a detailed impact assessment of all three aspects of MFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2018 when the Group will adopt MFRS 9. Overall, the Group expect no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of MFRS 9. In addition, the Group will implement changes in classification of certain financial instruments.

a. Classification and measurement of Financial Assets

The Group and the Company do not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of MFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as available-for-sale (AFS) with gains and losses recorded in OCI will, instead, be measured at fair value through profit or loss, which will increase volatility in recorded profit or loss.

The fair value adjustment reserve currently presented as accumulated OCI, will be reclassified to retained earnings.

The equity shares in non-listed companies are intended to be held for the foreseeable future. The Group and the Company will apply the option to present fair value changes in OCI, and, therefore, believes the application of MFRS 9 would not have a significant impact.

QUARTERLY REPORT

Quarterly report on consolidated results for the 1st quarter ended 31 March 2018
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A. EXPLANATORY NOTES

A2 Significant Accounting Policies (cont'd)

A2.1 Adoption of Amendments/Improvements to MFRS (cont'd)

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group and the Company analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

b. Impairment of Financial Assets

MFRS 9 requires the Group and the Company to record expected credit losses on all of its loans and receivables, either on a 12-month or lifetime basis. The Group and the Company will apply the simplified approach and record lifetime expected losses on its loans and receivables. The Group and the Company do not expect any impact on their statements of financial position or equity.

c. Hedge Accounting

The Group and the Company do not apply hedge accounting and do not expect any impact on the Group's and the Company's financial position.

Financial effects due to the adoption of MFRS9 as at 1 January 2018:

	RM'000
Fair value adjustment reserve	
Closing balance under MFRS 139 at 31 December 2017	1,297
Transfer to retained earnings	<u>(1,297)</u>
Opening balance under MFRS 9 at 1 January 2018	<u><u>-</u></u>

MFRS 15, Revenue from Contracts with Customers

MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under MFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018.

The Group adopted the new standard on the required effective date using the full retrospective method. During 2017, the Group completed a detailed analysis of MFRS 15.

a. Sale of Goods

For contracts with customers in which the sale of equipment is generally expected to be the only performance obligation, adoption of MFRS 15 is not expected to have any impact on the Group's revenue and profit or loss. The Group expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

In preparing to MFRS 15, the Group considers variable consideration of the sales transaction. Some contracts with customers provide a right of return, trade discounts or volume rebates. Currently, the Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under MFRS 15 and will be required to be estimated at contract inception.

MFRS 15 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Group continues to assess individual contracts to determine the estimated variable consideration and related constraint.

The Group has performed an initial assessment on sales of goods and does not expect that there will be significant impact on the financial statements.

QUARTERLY REPORT

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The figures have not been audited.

A. EXPLANATORY NOTES

A2 Significant Accounting Policies (cont'd)

A2.1 Adoption of Amendments/Improvements to MFRS (cont'd)

b. Rendering of Services

The Group recognises service revenue by reference to the stage of completion. Under MFRS 15, allocation will be made based on relative stand-alone selling prices. As a result, the allocation of the consideration and, consequently, the timing of the amount of revenue recognised in relation to these sales may be impacted.

The Group has preliminarily assessed that the services are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Group. Consequently, the Group would continue to recognise revenue for these service contracts/service components of bundled contracts over time rather than at a point in time.

c. Contract Project

The revenue arising from the contract project are assessed as fulfilled the criteria of sales over time under the MFRS 15. The revenue currently includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When a claim or variation is recognised, the measured of contract progress or contract price is revised and the cumulative percentage of completion is reassessed at each reporting date.

Under MFRS 15, claims and variations will be included in the contract accounting when they are approved.

The Group has performed an initial assessment on contract project and do not expect that there will be significant impact on financial statements.

d. Commission

For commissions earned by the Group, the Group has determined that it acts in the capacity of an agent for certain transactions. Under MFRS 15, the assessment will be based on whether the Group controls the specific goods before transferring to the end customer, rather than whether it has exposure to significant risks and rewards associated with the sale of goods.

The Group has performed an initial assessment on these transactions and do not expect that there will be significant impact on its financial statements.

e. Presentation and Disclosure Requirements

MFRS 15 provides presentation and disclosure requirements, which are more detailed than under current MFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in MFRS 15 are completely new. The Group is in the progress of developing of appropriate systems, internal controls, policies and procedures necessary to collect and disclose the required information.

Standards Issued But Not Yet Effective

MFRS 16 Leases (effective on or after 1 January 2019)

Early adoption of MFRS 16 is permitted, provided MFRS 15 Revenue from Contract with Customers is also applied.

The Group anticipates that the adoption of above new MFRS, may result in a change in accounting policy. The Group are currently assessing the financial impact.

A3 Audit Report of Preceding Annual Financial Statements

The auditors' report for the preceding annual financial statements was not subject to any qualification.

A4 Seasonality or Cyclicity of Operations

There were no seasonality or cyclicity of operations in the current quarter under review and financial period to date.

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A. EXPLANATORY NOTES

A5 Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow in the current quarter under review and financial year-to-date.

A6 Material Changes in Estimates

There were no changes in estimates of amount reported in prior financial years that have a material effect in the current quarter under review and financial year-to-date.

A7 Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter under review and financial year-to-date.

A8 Dividend Paid

No dividend was paid or declared in the current quarter under review and financial year-to-date.

During the Annual General Meeting held on 8 March 2018, the Shareholders of the Company has approved a final single tier dividend of 1.5 sen per share in respect of the financial year ending 31 December 2017 amounting to RM7,089,865. The entitlement date and the payment date of the final dividend will be announced in due course.

The interim financial statements for the current quarter do not reflect the final dividend as approval from shareholders have yet been obtained as at 31 March 2018.

A9 Segmental Reporting

Primary reporting basis - by business segment:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period	Preceding	Current Period	Preceding
	Quarter	Period	To date	Period
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
	RM'000	RM'000	RM'000	RM'000
Group Revenue (External Sales)				
Tower fabrication				
- Power Transmission	32,123	33,263	32,123	33,263
- Telecommunication	5,632	3,514	5,632	3,514
EPCC*	47,257	13,778	47,257	13,778
Other business activities	1,943	2,697	1,943	2,697
	<u>86,955</u>	<u>53,252</u>	<u>86,955</u>	<u>53,252</u>
Results				
Segment results	13,007	7,176	13,007	7,176
Reverse acquisition listing expense	-	(3,978)	-	(3,978)
Share-based payment expense	-	(21,414)	-	(21,414)
Finance costs	(1,911)	(579)	(1,911)	(579)
Share of results of an Associate	19	(27)	19	(27)
	<u>11,115</u>	<u>(18,822)</u>	<u>11,115</u>	<u>(18,822)</u>

* EPCC refers to Engineering, Procurement, Construction and Commissioning.

A10 Carrying Amount of Revalued Assets

The Group does not have a revaluation of property, plant and equipment policy.

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A. EXPLANATORY NOTES

A11 Material Events Subsequent to the End of the Interim Period

There is no material events subsequent to the current financial period under review.

A12 Effect of changes in the Group Composition, Long Term Investments, Restructuring and Discontinued Operations

There were no changes in the composition of the Group in the current quarter under review and financial year-to-date including business combination, acquisition or disposal of subsidiaries and long term investment, restructuring and discontinued operation.

A13 Contingent Liabilities/Assets

The following are the changes in the Group's contingent liabilities as at end of current quarter under review.

	Unaudited As at Current Period To Date <u>31-03-2018</u> RM'000	Audited As at Preceding Financial Year Ended <u>31-12-2017</u> RM'000
Unsecured		
Bank guarantees for design warranty given to a customer by a subsidiary	12,555	13,154
Performance bond granted to third party by a subsidiary	5,001	11,091
Secured		
Bank guarantees issued in favour of third parties	85,407	90,165

A14 Capital Commitment

Capital expenditure of the Group not provided for as at 31 March 2018 in relation to property, plant and equipment were as follows:

	Unaudited As at Current Period To Date <u>31-03-2018</u> RM'000	Audited As at Preceding Financial Year Ended <u>31-12-2017</u> RM'000
Authorised and contracted for	70	453

A15 Significant Related Party Transactions

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31-03-2018 <u>RM'000</u>	Preceding Period Corresponding 31-03-2017 <u>RM'000</u>	Current Period To date 31-03-2018 <u>RM'000</u>	Preceding Period Corresponding 31-03-2017 <u>RM'000</u>
Related companies:				
- sales	1	11	1	11
- rental expenses	228	230	228	230

QUARTERLY REPORT

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance of the Company and its Principal Subsidiaries

In the current quarter under review and current period to date compared to preceeding corresponding period, the Group achieved a higher revenue by 63.3% at RM86.9 million and recorded an increase in operating profit by 81.3% at RM13.0 million. The Group reported a profit after taxation of RM 8.5 million.

The Group's tower fabrication segment contributed to revenue increased by RM0.9 million or 56.9%. This was due to increase in deliveries of telecommunication towers. Revenue from EPCC also increased by RM33.4 million or 243% which was mainly contributed for EPCC works done in Bangladesh and Malaysia that contributed to 51.3% of total Group revenue. Revenue from other business activities is mainly from external galvanising and fabrication of substation structure.

B2 Review of Performance of the Company and its Principal Subsidiaries Compared to the Results of Immediate Preceding Quarter

	Current Period Quarter	Immediate Preceding Period Quarter	Variance
	31-03-2018	31-12-2017	
	RM'000	RM'000	%
Revenue	86,955	157,719	-45%
Operating Profit	13,007	21,418	-39%
Profit Before Tax	11,115	17,373	-36%
Profit After Tax	8,531	12,322	-31%

The Group recorded revenue of RM86.9 million in the current quarter, a decrease of RM70.8 million or 44.8%, compared to its immediate preceding quarter's revenue of RM157.7 million. The decrease in group revenue were mainly contributed by the decrease in tower fabrication segment specifically in the telecommunication segment by RM11.1 million or 66.5% due to lower deliveries, and lower revenue recognised from the EPCC segment by RM53.2 million or 53.0%.

B3 Group's Future Prospects

We are generally optimistic the Group will show healthy growth this year, subject to the dollar exchange rate and metal price trends not deteriorating significantly from expectations.

B4 Variance of Actual Profit from Forecast Profit

There were no profit forecasts or profit guarantees released to the public.

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Quarterly report on consolidated results for the 1st quarter ended 31 March 2018
The figures have not been audited.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B5 Taxation

Tax expense comprises the following:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Period Corresponding	Current Period To date	Preceding Period Corresponding
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
	RM'000	RM'000	RM'000	RM'000
Current tax	2,584	1,503	2,584	1,503
	<u>2,584</u>	<u>1,503</u>	<u>2,584</u>	<u>1,503</u>
Effective tax rate	<u>23%</u>	<u>23%</u>	<u>23%</u>	<u>23%</u>

Malaysian income tax is calculated at the statutory rate of 24% of the estimated assessable profits for the financial period.

The effective tax rate for the individual and cumulative preceding period corresponding is calculated after excluding the Regularisation Plan expense and share-based payment expense.

B6 Status Of Corporate Proposals Announced But Not Completed

There is no other pending corporate proposal for the current financial period under review.

B7 Status of corporate proposal

The total proceeds generated from the Issuance of Shares pursuant to private placement will be utilised as follows:-

Purpose	Intended Timeframe for Utilisation	Proposed Utilisation (previous)	Proposed Utilisation (revised)	Actual Utilisation up to 23-May-18
		RM'000	RM'000	RM'000
i) Establish new facilities at Lot 5C & 5D in Bentong Pahang	12 months	5,700	5,700	-
ii) Project investment for Mini hydropower plant in Indonesia	12 months	5,000	5,000	-
iii) Establish a new fabrication facility in Indonesia	24 months	* 4,300	-	-
iv) Purchase of machinery and equipment to upgrade existing facilities in Bentong, Pahang	24 months	4,260	4,260	-
v) Working capital	24 months	3,000	3,000	3,000
vi) Estimated expenses for the Proposed Regularisation Plan	1 month	4,200	4,200	4,200
vii) Partial funding of the cash consideration for the purchase of HGPT	24 months	-	* 4,300	* 4,300
Total gross proceeds		<u>26,460</u>	<u>26,460</u>	<u>11,500</u>

* On 27 October 2017, the Company announced to vary the utilisation of establishment of a new fabrication facility in Indonesia to partial funding of the cash consideration for the purchase of a subsidiary.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B8 Group Cash and bank balances, deposits and short-term placements

	Unaudited As at Current Period To Date 31-03-2018 RM'000	Audited As at Preceding Financial Year Ended 31-12-2017 RM'000
Cash and bank balances, deposits and short-term placements		
- Islamic	50,817	67,443
- Conventional	34,294	37,242
	<u>85,111</u>	<u>104,685</u>
Total assets	<u>665,740</u>	<u>697,271</u>
Percentage of Conventional Cash and bank balances, deposits and short-term placements over Total Assets	<u>5%</u>	<u>5%</u>

B9 Group Borrowings

	Unaudited As at Current Period To Date			Audited As at Preceding Financial Year Ended		
	31-03-2018	31-03-2018	31-03-2018	31-12-2017	31-12-2017	31-12-2017
	RM'000 USD	RM'000 RM	RM'000	RM'000 USD	RM'000 RM	RM'000
Unsecured Short Term Borrowings						
Bankers						
acceptance	11,598	20,266	31,864	-	90,722	90,722
Short term loans	-	61,526	61,526	-	11,184	11,184
Bank overdraft	3,656	1,557	5,213	-	3,269	3,269
	<u>15,254</u>	<u>83,349</u>	<u>98,603</u>	<u>-</u>	<u>105,175</u>	<u>105,175</u>
Secured Short Term Borrowings						
Term loan	-	1,147	1,147	-	425	425
Secured Long Term Borrowings						
Term loan	-	17,512	17,512	-	18,340	18,340
Total Group Borrowings	<u>15,254</u>	<u>102,008</u>	<u>117,262</u>	<u>-</u>	<u>123,940</u>	<u>123,940</u>

The above borrowings of the Group are denominated in Ringgit Malaysia equivalent analysed by currencies.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B9 Group Borrowings (cont'd)

	Unaudited As at Current Period To Date 31-03-2018 RM'000	Audited As at Preceding Financial Year Ended 31-12-2017 RM'000
Borrowings		
- Islamic	75,120	69,944
- Conventional	42,142	53,996
	<u>117,262</u>	<u>123,940</u>
Total Assets	<u>665,740</u>	<u>697,271</u>
Percentage of Conventional Borrowings over Total Assets	<u>6%</u>	<u>8%</u>

B10 Changes In Material Litigations

There has been no material litigation since the date of the last audited financial statements of Group as at 31 December 2017.

B11 Dividend

There is no dividend declared or recommended for the current financial period under review.

B12 Earnings Per Share

(a) Basic earnings per share

Basic earnings per share of the Group is calculated as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31-03-2018	Preceding Period Corresponding 31-03-2017	Current Period To date 31-03-2018	Preceding Period Corresponding 31-03-2017
Profit/(Loss) after tax for the period (RM'000)	8,531	(20,325)	8,531	(20,325)
Weighted average number of ordinary shares in issue	472,657,651	399,857,651	472,657,651	399,857,651
Basic earnings per share (sen)	<u>1.80</u>	<u>(5.08)</u>	<u>1.80</u>	<u>(5.08)</u>

For the individual and cumulative preceding period corresponding, if not for the reverse acquisition listing expense and share-based payment expense, the Group would have achieved profit after tax of RM5.1 million, the basic earnings per share would have been 1.27 sen.

(b) Diluted earnings per share

There was no dilution of shares.

N/A

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B13 Profit/(Loss) Before Tax

Profit/(Loss) before tax has been determined after charging/(crediting), amongst other items, the following:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31-03-2018	Preceding Period Corresponding 31-03-2017	Current Period To date 31-03-2018	Preceding Period Corresponding 31-03-2017
	RM'000	RM'000	RM'000	RM'000
Interest income	(592)	(372)	(592)	(372)
Realised foreign exchange gain	(684)	(138)	(684)	(138)
Interest expense	1,911	579	1,911	579
Depreciation of property, plant and equipment	1,689	819	1,689	819
Allowance for impairment losses on receivables	-	796	-	796
Write down of inventories	70	416	70	416
Unrealised foreign exchange loss/(gain)	211	(95)	211	(95)
Gain on disposal of property, plant and equipment	-	(5)	-	(5)

B14 Realised and unrealised profit/(loss)

	Unaudited As at Current Period To Date 31-03-2018	Audited As at Preceding Financial Year Ended 31-12-2017
	RM'000	RM'000
Total retained earnings of the Group		
- Realised	130,017	121,045
- Unrealised	(4,195)	(4,757)
	<u>125,822</u>	<u>116,288</u>

BY ORDER OF THE BOARD

Laang Jhe How
MIA 25193

Tan Kah Koon
MAICSA 7066666
Company Secretaries

Dated : 23 May 2018