

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT PERIOD QUARTER 31/03/2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2020 RM'000	CURRENT PERIOD TO DATE 31/03/2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2020 RM'000
	Note				
Revenue	13	80,642	71,803	246,899	240,208
Cost of sales		(58,011)	(54,453)	(180,703)	(181,298)
Gross profit		22,631	17,350	66,196	58,910
Other operating income		2,169	360	4,633	1,052
Other operating expenses		(14,018)	(11,298)	(33,641)	(38,600)
Profit from operations		10,782	6,412	37,188	21,362
Finance (cost)/income, net		(66)	20	(105)	(459)
Share of loss of associates		(124)	-	(124)	-
Profit before taxation	13	10,592	6,432	36,959	20,903
Taxation	17	(2,229)	(1,380)	(5,964)	(6,135)
Profit after taxation for the financial period		8,363	5,052	30,995	14,768
Other comprehensive income:					
Foreign currency translation differences		892	590	(572)	212
Total comprehensive income for the financial period		9,255	5,642	30,423	14,980
Profit attributable to:					
Owners of the Company		6,333	4,063	23,181	11,099
Non-controlling interests		2,030	989	7,814	3,669
		8,363	5,052	30,995	14,768
Total comprehensive income attributable to:					
Owners of the Company		6,882	4,318	22,662	11,159
Non-controlling interests		2,373	1,324	7,761	3,821
		9,255	5,642	30,423	14,980
Basic earnings per share (sen)	22	2.00	1.39	7.63	3.79

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020.

The accompanying notes are an integral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

	(Unaudited)	(Audited)
	AS AT	AS AT
Note	31/03/2021	30/6/2020
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	12,437	12,235
Investment properties	8,052	5,190
Investment in an associate	33	157
Intangible assets - goodwill	41,711	41,711
Deferred tax assets	1,800	2,774
Right of use assets	3,202	5,309
	67,235	67,376
CURRENT ASSETS		
Inventories	23,486	26,986
Tax recoverable	4,478	4,224
Other receivables	16,013	8,542
Trade receivables	109,044	101,363
Contract assets	58,211	59,026
Short term investment	18,331	18,940
Deposits with licensed banks, cash and bank balances	87,272	67,720
	316,835	286,801
TOTAL ASSETS	384,070	354,177
EQUITY AND LIABILITIES		
Equity		
Share capital	118,627	112,264
Treasury shares	(1,287)	(1,287)
Foreign exchange reserve	4,997	5,516
Revaluation reserve	4,027	4,024
Share option reserve	670	670
Retained profits	76,843	55,240
Equity attributable to owners of the Company	203,877	176,427
Non-controlling interests	53,433	45,672
Total Equity	257,310	222,099
NON-CURRENT LIABILITIES		
Other payables	353	353
Long term borrowings	19 10,731	19,135
Deferred tax liabilities	191	982
Lease liabilities	1,256	2,010
	12,531	22,480
CURRENT LIABILITIES		
Other payables	28,290	24,225
Trade payables	51,449	56,466
Employee benefits	945	893
Provision for taxation	1,817	1,293
Short term borrowings	19 18,425	11,637
Contract liabilities	12,081	12,723
Lease liabilities	1,222	2,361
	114,229	109,598
TOTAL LIABILITIES	126,760	132,078
TOTAL EQUITY AND LIABILITIES	384,070	354,177
NET ASSETS PER SHARE (SEN)	64.5	59.8

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020.

The accompanying notes are an integral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

	CURRENT PERIOD TO DATE 31/03/2021 RM'000	PREVIOUS PERIOD TO DATE 31/03/2020 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	36,959	20,903
Adjustments for:		
Allowance for impairment lossess on trade receivables	2,606	250
Allowance for slow moving inventories	79	127
Reversal of impairment on receivables	(2,482)	(27)
Depreciation of property, plant and equipment	1,357	2,215
Depreciation of right of use asset	1,565	-
Provision for end of service benefit	53	112
Share of result of an associate	124	-
Gain on disposal of property, plant and equipment	(12)	(113)
Fair value loss on investment properties	3	-
Unrealised gain on foreign exchange	(189)	(207)
Finance expenses,net	105	459
Operating profit before working capital changes	40,168	23,719
Decrease/(Increase) in inventories	3,421	(3,376)
(Increase)/Decrease in receivables	(14,461)	9,088
Decrease in payables	(1,630)	(24,716)
Cash generated from operations	27,498	4,715
Interest paid	(1,400)	(1,459)
Taxes paid	(5,511)	(6,982)
Net cash generated from/(used in) operating activities	20,587	(3,726)
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal/(Purchase) of short term investment	609	(2,258)
Purchase of property, plant and equipment	(911)	(2,031)
Proceeds from disposals of property, plant and equipment	1	87
Acquisition of investment property via contra	(2,862)	-
Final shares consideration to non-controlling interest in regards of acquisition of a subsidiary	5,969	-
Interest received	1,295	1,000
Net cash generated from/(used in) investing activities	4,101	(3,202)
CASH FLOWS FOR FINANCING ACTIVITIES		
(Repayment)/Drawdown of revolving credit/term loans	(4,344)	5,853
Repayment of hire purchase and lease payables	(1,893)	(716)
Drawdown of trade loan	279	2,126
Drawdown of overdraft facilities	2,448	-
Proceed from exercise of employee share options	394	905
Dividends paid to owners	(1,578)	(4,422)
Dividends paid to non-controlling interest	-	(1,960)
Repurchase of treasury shares	-	(432)
Net (cash used)/generated from in financing activities	(4,694)	1,354
NET INCREASE IN CASH AND CASH EQUIVALENTS	19,994	(5,574)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	67,720	66,529
Effects of exchange differences	(442)	218
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	87,272	61,173
Cash and cash equivalents comprise:		
Cash and bank balances	52,373	37,360
Deposits with licensed bank	34,899	23,813
	87,272	61,173

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020.

The accompanying notes are an integral part of this statement.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 MARCH 2021

	Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Reserves RM'000	Revaluation Reserves RM'000	Share Option Reserves RM'000	Distributable Retained Profits RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
31 March 2021									
At 1 July 2020	112,264	(1,287)	5,516	4,024	670	55,240	176,427	45,672	222,099
Other comprehensive income for the financial year	-	-	-	-	-	23,181	23,181	7,814	30,995
- Foreign currency translation reserve	-	-	(519)	-	-	-	(519)	(53)	(572)
Total comprehensive income for the financial year	-	-	(519)	-	-	23,181	22,662	7,761	30,423
Transaction with owners:									
- Exercise of employee share options	394	-	-	-	-	-	394	-	394
- Final shares issued for acquisition of a subsidiary	5,969	-	-	-	-	-	5,969	-	5,969
- Dividends paid on shares to owner of the company	-	-	-	-	-	(1,578)	(1,578)	-	(1,578)
- Revaluation Reserve	-	-	-	3	-	-	3	-	3
At 31 March 2021	118,627	(1,287)	4,997	4,027	670	76,843	203,877	53,433	257,310
31 March 2020									
At 1 July 2019	110,847	(855)	5,192	4,024	1,072	78,059	198,339	47,050	245,389
Repurchase of treasury shares	-	(432)	-	-	-	-	(432)	-	(432)
Other comprehensive income for the financial year	-	-	-	-	-	11,099	11,099	3,669	14,768
- Foreign currency translation reserve	-	-	60	-	-	-	60	152	212
Total comprehensive income for the financial year	-	-	60	-	-	11,099	11,159	3,821	14,980
Transaction with owners:									
- Exercise of employee share options	905	-	-	-	-	-	905	-	905
- Dividends paid on shares to owner of the company	-	-	-	-	-	(4,422)	(4,422)	-	(4,422)
- Dividends paid on shares to Non-controlling interest	-	-	-	-	-	-	-	(1,960)	(1,960)
At 31 March 2020	111,752	(1,287)	5,252	4,024	1,072	84,736	205,549	48,911	254,460

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020.

The accompanying notes are an integral part of this statement.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”), MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020.

These 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 year ended 30 June 2020.

Adoption of new MFRSs, amendments/Improvements to MFRSs and new IC Interpretation (“IC Int”)

The Group and the Company have adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:

New MFRSs

MFRS 16 Leases

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 16	Leases
MFRS 112	Income Taxes
MFRS 119	Employee Benefits
MFRS 123	Borrowing Costs
MFRS 128	Investments in Associates and Joint Ventures

New IC Int

IC Int 23 Uncertainty over Income Tax Treatments

The adoption of the above new MFRS, amendments/improvements to MFRSs and new IC Int did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021

1. BASIS OF PREPARATION (CONTINUED)

New MFRSs, amendments/Improvements to MFRSs and new IC Interpretation (“IC Int”) and amendments to IC Int that have been issued, but yet to be effective:

The Group and the Company have not adopted the following new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 [^] 1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2020/ 1 January 2022/ 1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2020/ 1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2020/ 1 January 2022 [^] 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2022 [^]
MFRS 101	Presentation of Financial Statements	1 January 2020/ 1 January 2023/ 1 January 2023 [#]
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2020
MFRS 140	Investment Property	1 January 2023 [#]
MFRS 141	Agriculture	1 January 2022 [^]

[^] The Annual Improvements to MFRS Standards 2018 - 2020

[#] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

1. BASIS OF PREPARATION (CONTINUED)

New MFRSs, amendments/Improvements to MFRSs and new IC Interpretation (“IC Int”) and amendments to IC Int that have been issued, but yet to be effective:

- (b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarized below:

Annual Improvements to MFRS Standards 2018–2020

Annual Improvements to MFRS Standards 2018–2020 covers amendments to:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* – simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 *Financial Instruments* – clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 *Leases* – deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.
- MFRS 141 *Agriculture* – removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRS Standards.

Amendments to MFRS 3 Business Combination

The amendments clarify the definition of a business with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The distinction is important because an acquirer does not recognise goodwill in an asset acquisition.

The amendments, amongst others, clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments also add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments also update by replacing a reference to an old version of the *Conceptual Framework for Financial Reporting* with a reference to the latest version which was issued by MASB in April 2018.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

1. BASIS OF PREPARATION (CONTINUED)

New MFRSs, amendments/Improvements to MFRSs and new IC Interpretation (“IC Int”) and amendments to IC Int that have been issued, but yet to be effective:

- (b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarized below:

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Error

The amendments refine the definition by including ‘obscuring information’ in the definition of material to respond to concerns that the effect of including immaterial information should not reduce the understandability of a company’s financial statements. The prior definition focuses only on information that cannot be omitted (material information) and does not also consider the effect of including immaterial information.

Other refinements to the definition include incorporating some existing wording in MFRS 101 and the Conceptual Framework for Financial Reporting. Consequently, the amendments align the definition of material across MFRS Standards and other publications.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity’s right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

1. BASIS OF PREPARATION (CONTINUED)

New MFRSs, amendments/Improvements to MFRSs and new IC Interpretation (“IC Int”) and amendments to IC Int that have been issued, but yet to be effective:

- (b) The Group and the Company plan to adopt the above applicable new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int when they become effective. A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int are summarised below (continued).

Amendments to MFRS 116 Property, Plant and Equipment

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

- (c) The Group and the Company are currently assessing the impact of initial application of the above applicable amendments/improvements to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of the Company.

2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the financial statements for the financial year ended 30 June 2020 was not subject to any audit qualification.

3. SEASONAL OR CYCLICAL FACTORS

The Group’s business was not affected by any significant seasonal or cyclical factors during the current quarter under review.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021

5. CHANGE IN ESTIMATES

There was no change in estimates of amounts reported in the prior financial year that have a material effect in the current quarter under review.

6. DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the current quarter under review, except for the issuance of new AWC shares in line with the Group's Employee Share Option Scheme ("ESOS"), as follows:

- i) 17,073,086 ordinary shares were issued at an exercise price of 33.6 sen per share; and
- ii) 3,276,312 ordinary shares were issued at an exercise price of 42.3 sen per share; and
- iii) 450,150 ordinary shares were issued at an exercise price of 72.3 sen per share; and
- iv) 100,000 ordinary shares were issued at an exercise price of 75.1 sen per share; and
- v) 895,000 ordinary shares were issues at an exercise price of 23.7 sen per share

Options to subscribe for 10,309,732 ordinary shares remain unexercised.

On 1 December 2020, in relation to the acquisition of Trackwork & Supplies Sdn. Bhd. ("Trackwork"), the Company had completed the final issuance of 20,246,729 consideration shares to the Sellers of Trackwork, being part of the purchase consideration of RM43,500,000.

Treasury Shares

The number of treasury shares held as at 31 March 2021 is as follows: -

	No. of shares	Amount RM
Balance of treasury shares as at 1 July 2020	4,628,700	1,287,081
Add: Purchase of treasury shares during the year under review	-	-
Balance of treasury shares as at 31 March 2021	<u>4,628,700</u>	<u>1,287,081</u>

7. DIVIDENDS PAID

On 31 March 2021, the Company paid a first interim single-tier dividend of 0.5 sen per ordinary share in respect of the financial year ending 30 June 2021 (2020: 0.5 sen) amounting to approximately RM1.6m (2020: RM1.5m).

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021

8. SEGMENTAL INFORMATION

The segment information for the current period ended 31 March 2021 is as follows:

	Investment Holding	Facilities Division	Engineering Division	Environment Division	Rail Division	Others Division	Adjustments and Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	4,950	139,087	58,983	53,956	11,739	-	(21,816)	246,899
Profit/(Loss) before tax	2,855	13,199	6,674	16,313	1,455	(27)	(3,510)	36,959
Segment assets	121,269	161,292	71,337	114,167	45,471	11	(129,477)	384,070

9. CARRYING AMOUNT OF REVALUED ASSETS

Not Applicable.

10. SIGNIFICANT AND SUBSEQUENT EVENT

No material events subsequent to 31 March 2021 to the date of this report that have not been reflected in the financial statements for current financial period.

11. CHANGES IN COMPOSITION OF THE GROUP

There was no change in the composition of the Group during the current quarter under review.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material contingent liabilities or contingent assets as at the date of this report.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

13. PERFORMANCE REVIEW BY SEGMENTS

Revenue	Current quarter ended 31 March 2021 RM'000	Preceding year corresponding quarter ended 31 March 2020 RM'000	Current period to-date ended 31 March 2021 RM'000	Preceding year corresponding year ended 31 March 2020 RM'000
Facilities	43,499	40,568	139,087	131,524
Environment	18,386	14,823	53,956	43,684
Engineering	19,669	18,790	58,983	52,305
Investment holdings	480	2,050	4,950	4,840
Rail	4,244	1,750	11,739	27,470
Total	86,278	77,981	268,715	259,823
Less: Elimination	(5,636)	(6,178)	(21,816)	(19,615)
Consolidated Total	80,642	71,803	246,899	240,208

Profit/(Loss) before tax	Current quarter ended 31 March 2021 RM'000	Preceding year corresponding quarter ended 31 March 2020 RM'000	Current period to-date ended 31 March 2021 RM'000	Preceding year corresponding year ended 31 March 2020 RM'000
Facilities	3,718	2,359	13,199	12,851
Environment	4,714	2,928	16,313	5,008
Engineering	1,734	638	6,674	(2,505)
Investment holdings	(194)	1,253	2,855	2,549
Rail	630	(739)	1,455	5,065
Others	(10)	(7)	(27)	(25)
Total	10,592	6,432	40,469	22,943
Less: Elimination	-	-	(3,510)	(2,040)
Consolidated Total	10,592	6,432	36,959	20,903

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

13. PERFORMANCE REVIEW BY SEGMENTS (CONTINUED)

13.1 Facilities Division

Quarter on Quarter (“QoQ”)

Revenue for Q3/FY21 amounted to RM43.5m, compared to RM50.1m in Q2/FY21. The decrease in the revenue by RM6.6m/-13.2% was mainly attributable to non-recurring retrofit works carried out during Q2/FY21.

The division's PBT for Q3/FY21 amounted to RM3.7m as compared to RM7.2m in Q2/FY21, a decrease of RM3.5m/-48.6%, attributable to the lower revenue as well as one-off austerity initiatives undertaken by the division to manage costs in the immediate preceding quarter.

Current quarter vs preceding year corresponding quarter

The revenue for the current quarter Q3/FY21 was higher by RM2.9m/7.2% against the preceding year's corresponding quarter Q3/FY20 due to new rates taking effect under the concession (RM59m from RM52m per annum) as well as higher CARP recognition (RM2.6m vs RM0.9m).

Arising from the above, the division recorded a PBT of RM3.7m in the current quarter under review Q3/FY21 against PBT of RM2.4m in the preceding year's corresponding quarter Q3/FY20, an increase of RM1.3m/54.2%.

13.2 Environment Division

QoQ

The division's revenue for the current quarter under review Q3/FY21 amounted to RM18.4m compared to the immediate preceding quarter Q2/FY21, at RM18.5m. A marginal decrease of RM0.1m/-0.5%.

The division recorded a PBT of RM4.7m in the current quarter under review Q3/FY21 as compared to a PBT of RM6.1m in Q2/FY21, a decrease of RM1.4m/-22.9%, attributable to an impairment loss made on receivables amounting to RM2.4m which was mitigated with the reversal of bad debt provision of RM1.1m recorded in the current quarter under review.

Current quarter vs preceding year corresponding quarter

The revenue for the current quarter Q3/FY21 was RM18.4m vs RM14.8m in Q3/FY20, an increase of RM3.6m/24.3% largely attributable to new project executions by the Middle East region.

Consequent to the above as well as more favorable project milestones recognized in the Singapore as well as Malaysia region giving rise to improved margins, the PBT increased by RM1.8m/62.1% in the current quarter under review Q3/FY21 compared to preceding year corresponding quarter Q3/FY20.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

13. PERFORMANCE REVIEW BY SEGMENTS (CONTINUED)

13.3 Engineering Division

QoQ

Revenue for Q3/FY21 amounted to RM19.7m compared to RM22.7m in Q2/FY21, a decrease of RM3.0m/-13.2% which was attributable to slower project progress across the division.

As a result of the decrease in the revenue as mentioned above, the division recorded a PBT of RM1.7m in the current quarter under review Q3/FY21 against a PBT of RM3.0m in Q2/FY21, a decrease by RM1.3m/-43.3%.

Current quarter vs preceding year corresponding quarter

The revenue for the current quarter Q3/FY21 was RM19.7m vs RM18.8m in Q3/FY20, a marginal increase of RM0.9m/4.8%. The increase was mainly attributable to higher trading revenue recorded by the aircond segment in Singapore.

The division recorded a higher PBT of RM1.7m in Q3/FY21 vs PBT of RM0.6m in Q3/FY20, an increase of RM1.1m/>100% largely due to the division's performance no longer weighed down by projects previously undertaken by the aircond segment.

13.3 Rail Division

QoQ

Revenue for Q3/FY21 was RM4.2m compared to RM4.4m in Q2/FY21, a slight decrease of RM0.2m/-4.5%.

In tandem with the above, the division recorded a PBT of RM0.6m during the current quarter under review compared to a PBT of RM0.7m in Q2/FY21, a marginal decrease of RM0.1m/-14.3%.

Current quarter vs preceding year corresponding quarter

Revenue in Q3/FY21 was RM4.2m compared to RM1.7m in Q3/FY20, an increase of RM2.5m/>100% due to better project progress and orderbook fulfillment during the current quarter under review.

Consequent to the above, the division recorded a PBT of RM0.6m in Q3/FY21 against LBT of RM0.7m in Q3/FY20, a significant turnaround of RM1.3m/>100%.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021

14. COMMENTARY ON MATERIAL VARIATION IN REVENUE AND PROFIT BEFORE TAXATION AGAINST PRECEDING QUARTER

	Current quarter ended 31 March 2021	Preceding quarter ended 31 December 2020	Adverse Variance
	RM'000	RM'000	RM'000
Revenue	80,642	90,235	(9,593)
Profit before taxation and zakat	10,592	16,694	(6,102)

On a QoQ basis, revenue decreased by RM9.6m/-10.6% due to lower revenue recognition in Facilities as well as Engineering division as mentioned above.

The Group recorded a PBT of RM10.6m in the current quarter under review compared to a PBT of RM16.7m in the immediate preceding quarter, a decrease by RM6.1m/-36.5%. This was largely attributable to the lower revenue recognition as mentioned above as well as the one-off austerity initiatives undertaken by the facilities division.

15. COMMENTARY ON PROSPECTS

Barring unforeseen circumstances arising from the current high infectibility of Covid 19 and with one quarter remaining for the current financial year, the Board is cautiously optimistic that the Group's operational performance will continue to be underpinned by projects and contracts making up the Group's existing orderbook of RM923.9 million.

We set out below our analysis of prospects by Divisions:

15.1 Facilities Division

The Concession Agreement (CA) for the renewal of the maintenance concession for the Southern Region (Johor, Malacca, Negeri Sembilan) and Sarawak was signed in early March 2016. This contract is for 10 years, from 1.1.16 to 31.12.25. Initial rate p.a. is set at approximately RM52 mil for the first 5 years, with automatic increase to RM59m p.a. from year 6 to 10.

In addition, together with the new CA, we also signed a contract to undertake the Critical Asset Refurbishment Programme, or CARP, over the next seven years.

Under this contract, we are to undertake the CARP over various locations, and based on predetermined timing/schedules. Under this CARP we are to be paid RM140m over ten years (the renewed concession period), equaling approximately RM1.16m monthly.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

15. COMMENTARY ON PROSPECTS (CONTINUED)

15.1 Facilities Division (continued)

These two contracts significantly improve the Group's long-term prospects. We expect positive contribution to our revenue and profit performance from our CARP contract over the next several years.

Also, we currently undertake certain maintenance contracts in the commercial and healthcare segments where these contracts are generally for two to five year periods. We expect these contracts to continue contributing positively to our prospects.

15.2 Environment Division

The Environment Division has contracts on hand that will tide it over for the next three financial years. Prospects remain positive for this Division as we expect projects progress and recognition to continue contributing positively to the Group.

15.3 Engineering Division

Air conditioning segment

As projects undertaken by this segment have largely entered Defects Liability Period (DLP) with no new tender/project participations, we do not expect further material negative contributions from this segment moving forward. Additionally, the Management has streamlined and rationalized the operational cost structure of this segment to be in line with serving out the existing projects which are now in DLP.

Plumbing segment

With the projects undertaken by the segment remaining on track, these are expected to contribute positively to the Group's earnings over the next three financial years. The segment is actively pursuing value engineering propositions to its clients to mitigate higher cost of materials currently experienced in its procurement processes.

15.4 Rail Division

The division continues to actively pursue rail related projects and procurement opportunities domestically as well as regionally and remain well poised with the agencies and principal representations it holds.

16. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021

17. INCOME TAX EXPENSE

	Current quarter ended 31 March 2021 RM'000	Period to date ended 31 March 2021 RM'000
Profit before taxation and zakat	10,592	36,959
Income tax expense for the year	(2,229)	(5,964)
Effective tax rate	21.0%	16.1%

The effective tax rate for the Group for period to date is lower than the statutory tax rate mainly due to foreign-source income generated from operations in Abu Dhabi, United Arab Emirates and the lower tax rates enjoyed by our Singapore subsidiaries.

18. CORPORATE PROPOSALS

There was no corporate proposal announced but not completed at the date of this report.

19. BORROWINGS

	As at 31 March 2021 RM'000	As at 31 March 2020 RM'000
Secured short-term borrowings:		
Term loan	4,073	3,292
Revolving credit	8,500	15,475
Trade loan	3,404	3,395
Bank Overdraft	2,448	-
Finance lease payables	-	1,123
Total short-term borrowings	18,425	23,285
Secured long-term borrowings:		
Term loan	10,731	22,825
Finance lease payables	-	1,534
Total long-term borrowings	10,731	24,359
Total borrowings	29,156	47,644

All the above borrowings are denominated in Ringgit Malaysia except for the trade loan and bank overdraft are denominated in Singapore Dollar.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

20. MATERIAL LITIGATION

Other than appended below, there is no material litigation which may materially affect the Group for the current quarter under review.

M & C Engineering and Trading (S) Pte Ltd vs Powstar Technology Pte Ltd

M & C Engineering and Trading (S) Pte Ltd ("the Plaintiffs"), a subsidiary of the Company, had on 25 January 2021 filed a Writ of Summons and Statement of Claim against Powstar Technology Pte Ltd ("the Defendants") in the Singapore High Court.

By way of a sub-contract for each projects (i.e. collectively, "the Sub-Contracts"), the Plaintiffs engaged the defendants as their sub-contractors to carry out works (collectively, "the Sub-Contract Works").

During the performance of the Sub-Contract Works for the Projects by the Defendants, the Plaintiffs found out that the Defendants had been causing delays to the progress of the Sub-Contract Works, had not been carrying out the Sub-Contract Works at a pace to meet the Plaintiffs' work schedule and had not been deploying sufficient manpower to carry out the Sub-Contract works.

Despite the Plaintiffs' repeated reminders, the Defendants continued to breach the Sub-Contracts for:

- i) Failure to carry out the Sub-Contract Works in accordance with the Plaintiff's work schedule and/or with due expedition;
- ii) Failure and/or refusal to deploy sufficient manpower to carry out the works;
- iii) Failure and/or refusal to comply with the instructions and/or directions of the Plaintiffs;
- iv) Failure and/or refusal to carry out and bring to completion the Sub-Contract Works;
- v) Failure and/or refusal to return to the Plaintiffs the Uninstalled Materials; and
- vi) Wrongful conversion of the Uninstalled Materials.

The Defendants have repudiated the Sub-Contracts and the Plaintiffs, as they were entitled to, accepted the Defendants' repudiation and terminated the Sub-Contracts by way of the Notice of Termination.

The claims pursuant to the Statement of Claim are as follows:

- i) Loss and damage due to the abovementioned events to be assessed;
- ii) A declaration that the Plaintiffs be fully indemnified by the Defendants for any loss and damage suffered and/or any and all such claims that may be made against the Plaintiffs by third parties in any respect as a result of the Defendants' repudiation of the Sub-Contracts and/or breach of the Sub-Contracts and/or conversion of the Uninstalled Materials;
- iii) An indemnity for prayer (ii);
- iv) Interest;
- v) Costs; and

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

20. MATERIAL LITIGATION (CONTINUED)

**M & C Engineering and Trading (S) Pte Ltd vs Powstar Technology Pte Ltd
(continued)**

vi) Such other relief as the Honourable Court deems fit.

The Writ of Summons and Statement of Claim against the Defendants have been served on the Defendants' lawyers on 27 January 2021. The Plaintiffs has on 23 February 2021 received the Defence and Counterclaim filed by the Defendants in High Court of Singapore.

Trackwork & Supplies Sdn Bhd vs Hikmat Asia Sdn Bhd

Trackwork & Supplies Sdn. Bhd. ("the Plaintiff"), a subsidiary of the Company, has on 12 May 2021 filed a Writ of Summons together with Statement of Claim against Hikmat Asia Sdn. Bhd. ("the Defendant") in the High Court of Malaya at Shah Alam for the following particulars of claims.

By way of a rental agreement dated 29 May 2019 ("Rental Agreement"), the Plaintiff has rented to the Defendant the Gemac DCM 32III Tamping Machine ("Tamping Machine") from 2 June 2019 until 30 November 2020 ("Rental Period").

The Defendant has breached the Rental Agreement by, amongst others:

- i) delaying the payments of rent for June, July and August 2019, of which were made by the Defendant more than seven (7) days after becoming due; and
- ii) having refused, failed and/or neglected to make any payment of rent for September 2019 until November 2020, totaling RM4,200,000.00 ("Outstanding Rent").

At all material times, the Defendant has admitted and acknowledged being indebted to the Plaintiff for the Outstanding Rent. On or around 5 May 2021, the Plaintiff wrote to the Defendant informing that the Rental Agreement was terminated with immediate effect and that the Plaintiff shall exercise its rights to resume possession of the Tamping Machine. After the termination of the Rental Agreement until the date of filing of the suit, the Defendant still failed, refused and/or neglected to deliver the Tamping Machine and/or make any payment to the Plaintiff.

The claims pursuant to the Writ and Statement of Claim are for:

- (a) the payment of the Outstanding Rent;
- (b) the late payment interest on the Outstanding Rent in the sum of RM540,978.70 accrued and calculated as at 12 May 2021 and thereafter at the rate of 1% per month until full and final settlement;
- (c) the Defendant, its directors, employees, agents and/or representatives or whosoever otherwise to be restrained or prohibited from interfering with, intermeddling in and/or preventing the Plaintiff from entering upon any land or building whether belonging to the Defendant or otherwise, on or in which the Tamping Machine is or is believed by the Plaintiff or its agents or whosoever to be situated, for the purposes of retaking possession of the Tamping Machine;

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

20. MATERIAL LITIGATION (CONTINUED)

Trackwork & Supplies Sdn Bhd vs Hikmat Asia Sdn Bhd(continued)

- (d) further and/or in the alternative to paragraph (c) above, the Defendant whether by itself, agents, employees, representatives or whosoever otherwise, are to be ordered and do deliver forthwith to the Plaintiff the Tamping Machine within two (2) days from the date of judgment;
- (e) the Defendant to pay to the Plaintiff the sum of RM1,436,129.00 for the use and possession of the Tamping Machine from December 2020 until 4 May 2021;
- (f) damages to be assessed in relation to all losses and damages suffered by the Plaintiff:
 - (i) as a result of the Defendant's breach of the Rental Agreement, including but not limited to, all costs and expenses incurred by the Plaintiff in tracing, retaking possession, removing, transporting, repairing, making good the Tamping Machine and/or the loss of value of the Tamping Machine;
 - (ii) for and in respect of the use and possession of the Tamping Machine by the Defendant from 5 May 2021 until the date of repossession or delivery of the Tamping Machine, or as otherwise from a date so determined by the Honourable Court;
- (g) Interest at the rate of 1% per month or such other rate as the Honourable Court shall deem fair, just and reasonable on the amount ordered to be paid by the Defendant to the Plaintiff at paragraphs (e) and (f) from the date of the judgment until full and final settlement;
- (h) Costs; and
- (i) Such further and other relief that the Honourable Court shall deem fit and proper.

The Board is unable to quantify presently, the financial and operational impact on the Company and the Group arising from the Writ and Statement of Claim of the above cases. Further announcements will be made as and when there are material developments on the above matter.

21. DIVIDEND DECLARED

On 25 February 2021, the Company had declared the first interim single tier dividend of 0.5 sen per ordinary share in respect of the financial year ending 30 June 2021 (2020: 0.5 sen) which was paid on 31 March 2021. Other than this, no dividend has been paid and declared in the current quarter.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

22. EARNINGS PER SHARE

The basic earnings per ordinary share of the Group is calculated based on the Group's net profit for the period attributable to owners of the Company over the weighted average number of ordinary shares in issue during the year, excluding treasury shares held by the Company as follows:

	Current quarter ended 31 March 2021	Period to date ended 31 March 2021
Profit attributable to owners of the Company (RM'000)	6,333	23,181
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	316,037	303,770
Basic earnings per share (sen)	2.00	7.63

There are no shares or other financial instruments in issue which have a dilutive effect on the earnings per share of the Group.

23. REALISED AND UNREALISED PROFITS

	As at 31 March 2021 RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	156,381
- Unrealised	1,607
	157,988
Less: Consolidation adjustments	(81,145)
Total group retained profit as per consolidated accounts	76,843

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021

24. ITEMS INCLUDED IN CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit from operations is for the current quarter and period to-date ended 31 March 2021 is stated after charging / (crediting) the following items:

	Current quarter ended 31 March 2021 RM'000	Period to date ended 31 March 2021 RM'000
Impairment losses on trade receivables	2,363	2,606
Interest income	(398)	(1,295)
Other income	(537)	(1,962)
Reversal of impairment on receivables	(1,496)	(2,482)
Interest expense	464	1,400
Depreciation and amortization	991	2,922
Foreign exchange gain	(136)	(189)

25. AUTHORISATION FOR ISSUE

This interim financial report has been approved by the Board of Directors of the Company for issuance on 19 May 2021.