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## **NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

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### **1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Accounting Standard Board's, Financial Reporting Standards (FRS) 134 – Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia). The interim financial report should be read in conjunction with the Group's annual audited financial statements for the year ended 31 March 2007.

### **2. Changes in Significant Accounting Policies**

The accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the year ended 31 March 2007 except for the adoption of FRS 117 "Leases" and FRS 124 "Related Party Disclosures" effective for the financial period beginning 1 April 2007 and FRS 119 "Employee Benefits" effective immediately.

#### **FRS 117 : Leases**

FRS 117 requires payments for leasehold land to be reclassified as prepaid lease payments and are amortised on a straight-line basis over the lease term. Previously, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of this FRS has no financial impact to the Group, except for restatement of the following figures:-

	<b>As previously reported RM'000</b>	<b>Reclassification/ Adjustment RM'000</b>	<b>As Restated RM'000</b>
<u>Balance Sheet as at 31.3.2007</u>			
Property, plant and equipment	102,156	(5,428)	96,728
Prepaid lease payments	-	5,428	5,428

#### **FRS 124 : Related Party Disclosures**

This FRS affects the identification of related parties and the disclosure of related party transactions and outstanding balances with other entities in the group. Intra-group related party transactions and outstanding balances are eliminated in the preparation of consolidated financial statements of the Group.

The adoption of this FRS has no financial impact on the Group's consolidated financial statements. The disclosure requirements under FRS 124 will be presented in the annual financial statements for the financial year ending 31 March 2008.

#### **FRS 119 : Employee Benefits**

This FRS supersedes FRS119<sub>2004</sub> Employee Benefits and Amendment to FRS 119<sub>2004</sub> Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures. This FRS which has the same effective date as the original standard has no financial impact on the Group's consolidated financial statements.

As at the date of this report, the Group has not early adopted the following eight new/revised Standards which have been issued by the Malaysian Accounting Standard Board, but are not yet effective:

- FRS 107: Cash Flow Statements
- FRS 111: Construction Contracts
- FRS 112: Income Taxes
- FRS 118: Revenue
- FRS 120: Accounting for Government Grants and Disclosure of Government Assistance
- FRS 126: Accounting and Reporting by Retirement Benefit Plans
- FRS 134: Interim Financial Reporting
- FRS 137: Provisions, Contingent Liabilities and Contingent Assets

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**2. Changes in Accounting Policies (Continued)**

The Group will apply the above accounting standards in the annual period commencing 1 April 2008, when they become effective. It is expected that there will be no material impact on the financial statements when the Group applies these new/revised standards.

**3. Auditors' Report on Preceding Annual Audited Financial Statements**

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

**4. Seasonal or Cyclical Factors**

The Group's business operations were not significantly affected by any seasonal or cyclical factors.

**5. Unusual Items**

There were no unusual items in the current quarter and financial period to date.

**6. Changes in Estimates**

There were no significant changes in estimates that have a material effect in the current quarter and financial period to date.

**7. Debt and Equity Securities**

During the financial period ended 31 December 2007, RM75,910,000 Irredeemable Convertible Unsecured Loan Stocks (ICULS) were converted into 151,820,000 shares of RM0.50 each.

Other than the above, there were no issuance or repayment of debt and equity securities, share buy backs, share cancellations, share held as treasury shares or resale of treasury shares during the financial year to date ended 31 December 2007.

**8. Dividend**

No dividend has been recommended by the Directors or paid for the financial period ended 31 December 2007.

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**9. Segmental Information**

Segmental revenue and results for the financial period ended 31 December 2007 were as follows:

	<b>Property RM'000</b>	<b>Engineering &amp; Infrastructure RM'000</b>	<b>Travel &amp; Leisure RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
<b>Segment revenue</b>					
Revenue	62,640	106,061	70,704	15,936	255,341
Inter-segment revenue	(1,427)	(563)	-	(2,651)	(4,641)
	<b>61,213</b>	<b>105,498</b>	<b>70,704</b>	<b>13,285</b>	<b>250,700</b>
<b>Segment Results</b>	16,035	(22,059)	(4,276)	(3,704)	(14,004)
Interest income					1,061
Unallocated expenses					(3)
Operating loss					(12,946)
Finance costs					(11,264)
Share of results of associated companies	2,305	10,453	515	1,100	14,373
<b>Loss before tax</b>					<b>(9,837)</b>
Taxation					(379)
<b>Loss for the period from continuing operations</b>					<b>(10,216)</b>
<b>Discontinued operations</b>					
Others		81		(1,207)	(1,126)
<b>Loss for the period</b>					<b>(11,342)</b>

**10. Material Events Subsequent to the Balance Sheet Date**

Other than as disclosed in Note 19, there were no material events affecting the results of the Group which might have occurred between 31 December 2007 and the date of this report.

**11. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial period ended 31 December 2007.

**12. Review of Performance**

The Group registered revenue of RM70,124,000 and loss before tax of RM2,832,000 (excluding the result of discontinued operations) for the current quarter ended 31 December 2007. Group revenue was largely driven by the Property, Engineering & Infrastructure and Travel & Leisure Divisions. Group loss before tax was due to provision for impairment in regards to property development land and foreign exchange loss on certain projects of Engineering division.

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**13. Variation of Results Against Preceding Quarter**

The Group recorded a loss before tax of RM2,832,000 (excluding the result of discontinued operations) for the current quarter ended 31 December 2007 as compared to loss before tax of RM24,649,000 in the previous quarter. As explained in Note 12, the loss for current quarter was due to provision for impairment of property development land and foreign exchange loss on certain projects of Engineering division, whereas the previous quarter was mainly due to project cost overrun and allowance for doubtful debts.

**14. Current Year Prospects**

Taking into consideration the results of the financial period ended 31 December 2007, the performance of the Group for the current financial year remains challenging. The Group will continue in its pursuit to secure new projects and businesses to improve its financial results.

**15. Profit Forecast**

There were no profit forecast or profit guarantee issued during the financial year-to-date.

**16. Taxation**

The breakdown of tax charge for the quarter and financial year-to-date are as follows:-

	<b>3 months Ended 31.12.2007 RM'000</b>	<b>9 months ended 31.12.2007 RM'000</b>
Current taxation	(2,345)	(1,324)
Real property gains tax	-	1,018
Under provision in prior year	469	661
Deferred tax expense resulting from reversal of temporary differences	22	24
	<u>(1,854)</u>	<u>379</u>

Tax credit above is arising due to tax credit from dividend is higher than tax chargeable.

Based on the loss before taxation and share of results of associated companies which is shown net of tax, the Group is in a tax loss position. However, there is tax chargeable for the quarter and period to-date as certain subsidiaries are profitable while group relief is not able to fully offset this.

**17. Unquoted Investments and Properties**

Other than the disposal of a piece of land for RM25.5 million completed during the quarter ended 30 June 2007, there was no other sale of unquoted investments and/or properties for the financial year-to-date.

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**18. Quoted Securities**

- a) Particulars of purchase or disposal of quoted securities for the current quarter and financial year-to-date ended 31 December 2007.

	<b>3 months ended 31.12.2007 RM'000</b>	<b>9 months ended 31.12.2007 RM'000</b>
Total purchases of quoted investment	<u>-</u>	<u>177</u>
Total sale proceeds from quoted investment	<u>2,604</u>	<u>5,798</u>
Total profit on disposal of quoted securities	<u>1,411</u>	<u>3,389</u>

- b) Investments in quoted shares as at 31 December 2007 were as follows:-

	<b>As at 31.12.2007 RM'000</b>
Total investment at cost	<u>6,356</u>
Total investment at carrying value/book value (after provision for diminution in value)	<u>3,762</u>
Total investment at market value	<u>4,038</u>

**19. Status of Corporate Proposals Announced**

- a) On 1 March 2005, Pulau Indah Marina Resort Sdn Bhd (PIMR), a 60% subsidiary of AMDB entered into a Conditional Sale and Purchase Agreement (CSPA) with Great Profile Sdn Bhd (GPSB) (now known as Wijaya Baru Development Sdn Bhd) to dispose a piece of land held by PIMR for a total cash consideration of RM130,000,000.

On 19 May 2005, GPSB obtained approval from the FIC subject to certain conditions to be fulfilled. On 21 July 2005, PIMR obtained the state consent for the sale and transfer of the land.

The CSPA become unconditional with the approval of the shareholders of GPSB's holding company obtained at an extraordinary general meeting held on 7 June 2007. Stamp duty for transfer of the land has been paid by GPSB, and currently pending presentation of memorandum of transfer to the Land office.

- b) On 18 February 2006, AMDB Power Sdn Bhd (APSB), a wholly owned subsidiary of AMDB, had entered into a Joint Venture Agreement (JVA) with WHSB Property Development Sdn Bhd (WPD) to build and operate a mini-hydro power generating plant at Sungai Mokodou, Ranau, Sabah.

On 11 February 2008, the parties agreed to mutually terminate the JVA due to non-fulfillment of conditions precedent.

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### **19. Status of Corporate Proposals Announced (Continued)**

- c) On 6 December 2006, Sejati Pelita Sdn Bhd (SPSB) a wholly owned subsidiary of AMDB had entered into a Conditional Sale and Purchase Agreement (CSPA) with Kumpulan Tanjung Balai Sdn Bhd (Purchaser) to dispose a piece of land for a total cash consideration of RM21,363,840.

Subsequently, on 30 October 2007, SPSB and the Purchaser had entered into a Supplemental Agreement to vary the purchase price from RM21,363,840 to RM14,836,000 in view of unforeseen transportation and royalty expenses to be incurred by the Purchaser for intended use of the land to extract clay and produce bricks on site.

The CSPA became unconditional with the letter from Foreign Investment Committee dated 31 December 2007 acknowledging the transactions, and is currently pending payment of balance price of RM12,699,616 by the purchaser.

Other than those matters disclosed above, there were no other corporate proposals announced but not completed.

### **20. Borrowing and Debt Securities**

Group borrowings and debt securities as at 31 December 2007 were as follows:-

	<b>Long Term Borrowings RM'000</b>	<b>Short Term Borrowings RM'000</b>	<b>Total RM'000</b>
Secured	-	41,811	41,811
Unsecured	1,932	148,697	150,629
<b>Total</b>	<u>1,932</u>	<u>190,508</u>	<u>192,440</u>

### **21. Off Balance Sheet Financial Instruments**

There were no material off balance sheet financial instruments as at the date of this report.

### **22. Capital Commitments**

Outstanding commitments in respect of capital expenditure not provided for in this interim financial report as at 31 December 2007 were as follows:

	<b>Approved and contracted for RM'000</b>	<b>Approved but not contracted for RM'000</b>
Construction of mini-hydro power plant	<u>19,673</u>	<u>1,952</u>

Other than the above, there were no other material capital commitments that have not been provided for in this interim financial report.

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**23. Changes in Contingent Liabilities and Contingent Assets**

The total of letter of credit, other bank guarantees and performance bonds has increased from RM91,357,492 at 31 March 2007 to RM125,024,497 at 31 December 2007.

Other than the above, there were no other changes in contingent liabilities or contingent assets since the last financial year ended 31 March 2007.

**24. Material litigation**

There were no changes to pending material litigation since the date of the last annual balance sheet as at 31 March 2007.

**25. Significant Related Party Transactions**

There were no significant related party transactions transacted during the current quarter and preceding quarter.

**26. Earnings Per Share**

*Basic*

Basic earnings per share for the reporting quarter and financial year-to-date is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issued during the period.

	<b>3 months ended 31.12.2007 RM'000</b>	<b>9 months ended 31.12.2007 RM'000</b>
Loss for the period from continuing operations attributable to equity holders of the Parent	(1,888)	(6,501)
Loss for the period from discontinued operations attributable to equity holders of the Parent	(327)	(1,126)
	<u>(2,215)</u>	<u>(7,627)</u>
Weighted average number of ordinary shares in issue	954,681	921,003
Basic loss per share (sen)		
Loss from continuing operations	(0.20)	(0.71)
Loss from discontinued operations	<u>(0.03)</u>	<u>(0.12)</u>
	<u>(0.23)</u>	<u>(0.83)</u>

*Diluted earning per share*

With full conversion of ICULS into ordinary shares as detailed in Note 7, there is currently no future dilutive effect to earnings per share.

**BY ORDER OF THE BOARD**  
**JOHNSON YAP CHOON SENG**  
Company Secretary  
Date: 19 February 2008