

QUARTERLY REPORT

Summary of Key Financial Information for the financial period ended 30 September 2013

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|---|---|
| | <u>30.09.2013</u> RM'000 | <u>30.09.2012</u> RM'000 | <u>30.09.2013</u> RM'000 | <u>30.09.2012</u> RM'000 |
| 1. Revenue | 23,905 | 30,055 | 56,440 | 59,608 |
| 2. Profit before taxation | 1,606 | 15,137 | 13,286 | 36,165 |
| 3. Profit for the period | 2,682 | 14,521 | 13,886 | 35,327 |
| 4. Profit attributable to owners of the parent | 2,774 | 14,225 | 14,005 | 34,978 |
| 5. Earnings per share (sen) : | | | | |
| Basic | 0.48 | 2.48 | 2.43 | 6.10 |
| Diluted | 0.48 | 2.48 | 2.43 | 6.10 |
| 6. Proposed/Declared dividend per share (sen) | - | - | - | - |
| 7. Gross interest income | 543 | 440 | 1,013 | 948 |
| 8. Gross interest expense | (3,464) | (2,147) | (6,306) | (4,510) |
| | | As at end of Current Quarter | | As at preceding Financial Period End |
| 9. Net assets per share attributable to owners of the parent (RM) | | 1.35 | | 1.28 |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Quarter | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30.09.2013 RM'000 | 30.09.2012 RM'000 | 30.09.2013 RM'000 | 30.09.2012 RM'000 |
| Revenue | 23,905 | 30,055 | 56,440 | 59,608 |
| Cost of sales | (16,507) | (21,549) | (40,485) | (42,996) |
| Gross profit | 7,398 | 8,506 | 15,955 | 16,612 |
| Other operating income | 2,842 | 12,520 | 8,996 | 33,743 |
| Distribution expenses | (277) | (152) | (443) | (656) |
| Administration expenses | (11,170) | (8,167) | (20,676) | (18,160) |
| Other operating expenses | (2,486) | (1,958) | (2,370) | (2,690) |
| Operating profit | (3,693) | 10,749 | 1,462 | 28,849 |
| Finance costs | (3,464) | (2,147) | (6,306) | (4,510) |
| Share of results of jointly controlled entities | 2,133 | 1,015 | 4,906 | 497 |
| Share of results of associates | 6,630 | 5,520 | 13,224 | 11,329 |
| Profit before taxation | 1,606 | 15,137 | 13,286 | 36,165 |
| Taxation | 1,076 | (616) | 600 | (838) |
| Profit for the period | 2,682 | 14,521 | 13,886 | 35,327 |
| Other comprehensive income/(expense) that will be subsequently reclassified to profit or loss: | | | | |
| Fair value changes in available-for-sale financial assets | 18 | (135) | 15 | (1,522) |
| Foreign currency translations | 27,421 | 1,041 | 34,015 | 3,156 |
| | 27,439 | 906 | 34,030 | 1,634 |
| Total comprehensive income | 30,121 | 15,427 | 47,916 | 36,961 |
| Profit Attributable to : | | | | |
| Owners of the Parent | 2,774 | 14,225 | 14,005 | 34,978 |
| Non-controlling interests | (92) | 296 | (119) | 349 |
| | 2,682 | 14,521 | 13,886 | 35,327 |
| Total comprehensive income attributable to : | | | | |
| Owners of the Parent | 26,459 | 15,182 | 44,288 | 36,596 |
| Non-controlling interests | 3,662 | 245 | 3,628 | 365 |
| | 30,121 | 15,427 | 47,916 | 36,961 |
| Basic | 0.48 | 2.48 | 2.43 | 6.10 |
| Diluted | 0.48 | 2.48 | 2.43 | 6.10 |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2013.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 30.09.2013 RM'000 | Audited As at 31.03.2013 RM'000 |
|--|--|--|
| ASSETS | | |
| Non Current Assets | | |
| Property, plant and equipment | 131,058 | 48,099 |
| Investment properties | 338,342 | 319,243 |
| Investment in associates | 159,835 | 146,127 |
| Investment in jointly controlled entities | 232,661 | 143,614 |
| Other investments | 5,544 | 5,411 |
| Land held for property development | 52,855 | 52,135 |
| Long term receivables | 4,551 | 3,465 |
| Deferred tax assets | 4,567 | 4,932 |
| | <u>929,413</u> | <u>723,026</u> |
| Current Assets | | |
| Property development costs | 158,282 | 167,130 |
| Inventories | 53,520 | 38,263 |
| Trade and other receivables | 53,064 | 65,395 |
| Derivative assets | 995 | 0 |
| Tax recoverable | 6,907 | 9,942 |
| Deposits, cash and bank balances | 75,922 | 84,284 |
| | <u>348,690</u> | <u>365,014</u> |
| | <u>1,278,103</u> | <u>1,088,040</u> |
| TOTAL ASSETS | | |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share Capital | 290,131 | 288,981 |
| Treasury shares | (1,356) | (1,265) |
| Reserves | 490,634 | 444,842 |
| Equity attributable to owners of the Parent | <u>779,409</u> | <u>732,558</u> |
| Non-controlling interests | 49,895 | 46,412 |
| | <u>829,304</u> | <u>778,970</u> |
| Non-current liabilities | | |
| Bank borrowings | 223,018 | 208,836 |
| Hire-purchase creditors | 1,475 | 1,647 |
| Long term payables | 2,271 | 2,563 |
| Deferred tax liabilities | 216 | 216 |
| | <u>226,980</u> | <u>213,262</u> |
| Current Liabilities | | |
| Trade and other payables | 62,636 | 58,253 |
| Bank borrowings | 156,885 | 34,754 |
| Hire-purchase creditors | 732 | 682 |
| Derivative liabilities | 0 | 38 |
| Taxation | 1,566 | 2,081 |
| | <u>221,819</u> | <u>95,808</u> |
| Total liabilities | <u>448,799</u> | <u>309,070</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,278,103</u> | <u>1,088,040</u> |
| Net assets per share (RM) | <u>1.35</u> | <u>1.28</u> |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2013.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<-----Attributable to Owners of the Parent----->

| | <u>Share Capital</u> | <u>Share Premium</u> | <u>Treasury Shares</u> | <u>Share held for ESS</u> | <u>Share Options Reserve</u> | <u>Capital Reserve</u> | <u>Exchange Translation Reserve</u> | <u>Fair Value Reserve</u> | <u>Retained Profits</u> | <u>TOTAL</u> | <u>Non-controlling Interests</u> | <u>Total Equity</u> |
|--|----------------------|----------------------|------------------------|---------------------------|------------------------------|------------------------|-------------------------------------|---------------------------|-------------------------|----------------|----------------------------------|---------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 01.04.2012 | 287,731 | 103,842 | (972) | - | - | 881 | (8,657) | 1,852 | 276,567 | 661,244 | 15,416 | 676,660 |
| Total comprehensive income for the period | - | - | - | - | - | - | 3,140 | (1,522) | 34,978 | 36,596 | 365 | 36,961 |
| Shares repurchased | - | - | (6) | - | - | - | - | - | - | (6) | - | (6) |
| Realisation of capital reserve upon strick-off of a subsidiary | - | - | - | - | - | (592) | - | - | 592 | - | - | - |
| Dividend declared | - | - | - | - | - | - | - | - | (12,894) | (12,894) | - | (12,894) |
| Balance as at 30.09.2012 | 287,731 | 103,842 | (978) | - | - | 289 | (5,517) | 330 | 299,243 | 684,940 | 15,781 | 700,721 |
| Balance as at 01.04.2013 | 288,981 | 103,842 | (1,265) | (374) | 603 | - | (20,078) | 257 | 360,592 | 732,558 | 46,412 | 778,970 |
| Total comprehensive income for the period | - | - | - | - | - | - | 30,268 | 15 | 14,005 | 44,288 | 3,628 | 47,916 |
| Shares repurchased | - | - | (91) | - | - | - | - | - | - | (91) | - | (91) |
| Issuance of shares | 1,150 | - | - | (1,150) | - | - | - | - | - | - | - | - |
| Share options granted | - | - | - | - | 1,498 | - | - | - | - | 1,498 | - | 1,498 |
| Share options exercised | - | - | - | 1,393 | (408) | - | - | - | 226 | 1,211 | - | 1,211 |
| Acquisition of non-controlling interests | - | - | - | - | - | - | - | - | (55) | (55) | (145) | (200) |
| Balance as at 30.09.2013 | 290,131 | 103,842 | (1,356) | (131) | 1,693 | - | 10,190 | 272 | 374,768 | 779,409 | 49,895 | 829,304 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2013.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 6 months ended | |
|---|-----------------------|-----------------------|
| | 30.9.2013 | 30.9.2012 |
| | RM'000 | RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 13,286 | 36,165 |
| Adjustments for non cash items: | | |
| Share of results of jointly controlled entities and associates | (18,130) | (11,826) |
| Gain on disposal of a subsidiary | - | (6,605) |
| Gain on disposal of investment properties | (3,977) | (19,049) |
| Gain on disposal of quoted & unquoted investments | - | (1,386) |
| Gain on disposal of property, plant and equipment | (16) | - |
| Write back of impairment loss on land held for development | - | (4,387) |
| Write back of accrued development costs | (1,410) | - |
| Net interest (expense)/income | (5,293) | 4,001 |
| Others | 3,098 | 1,390 |
| Operating profit before working capital changes | <u>(12,442)</u> | <u>(1,697)</u> |
| Decrease in trade and other receivables | 12,417 | 17,432 |
| (Increase)/Decrease in stocks and other inventories | (15,257) | 1,782 |
| Decrease/(Increase) in property development costs and land held for development | 8,128 | (10,325) |
| Increase/(Decrease) in trade and other payables | 10,339 | (4,001) |
| Net cash generated from operations | <u>3,185</u> | <u>3,191</u> |
| Net taxation refunded | 3,484 | 5,241 |
| Net interest paid | 5,293 | (4,156) |
| Net cash inflow from operating activities | <u>11,962</u> | <u>4,276</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment and investments | 47 | 2,304 |
| Proceeds from disposal of investment properties | 15,216 | 67,322 |
| Net proceeds from disposal of a subsidiary | - | 43,347 |
| Purchase of property, plant and equipment | (82,070) | (1,072) |
| Purchase of investment properties | (2,037) | - |
| Payment for upfront lease | (2,312) | - |
| Net contributions to jointly controlled entities | (66,229) | (14,988) |
| Dividend received from an associate | - | 870 |
| Net cash outflow from investing activities | <u>(137,385)</u> | <u>97,783</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from share options exercised | 1,211 | - |
| Shares repurchased | (91) | (6) |
| Net proceeds from borrowings | 112,159 | (51,940) |
| Net repayment of hire purchase creditors | (251) | (379) |
| Dividends paid | - | (12,894) |
| Acquisition of non-controlling interest | (200) | - |
| Placement of deposit pledged with licensed bank | (1,811) | - |
| Net cash outflow from financing activities | <u>111,017</u> | <u>(65,219)</u> |
| NET CHANGES IN CASH AND CASH EQUIVALENTS | (14,406) | 36,840 |
| Cash and cash equivalents at beginning of period | 61,250 | 153,878 |
| Effect of exchange rate on cash and cash equivalents | 308 | 1,938 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>47,152</u> | <u>192,656</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD CONSISTS OF: | | |
| Deposits, Cash and bank balances | 75,922 | 200,954 |
| Bank overdraft | (4,212) | (8,298) |
| | <u>71,710</u> | <u>192,656</u> |
| Less: Deposits pledged with licensed banks | (24,558) | - |
| | <u>47,152</u> | <u>192,656</u> |

The condensed consolidated statement cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2013.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standard Board 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 of the Company for the year ended 31 March 2013.

2. Changes in Significant Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 31 March 2013, except for the adoption of the following standards, amendments to published standards and interpretations to existing standards which are effective for the financial period commencing on 1 April 2013:

| | |
|---------|--|
| FRS 10 | : Consolidated Financial Statements |
| FRS 11 | : Joint Arrangements |
| FRS 12 | : Disclosure of Interests in Other Entities |
| FRS 13 | : Fair Value Measurement |
| FRS 119 | : Employees Benefits (Revised) |
| FRS 127 | : Separate Financial Statements |
| FRS 128 | : Investments in Associates and Joint Ventures |

Amendments to:

| | |
|--|--|
| FRS 7 | : Disclosures – Offsetting Financial Assets and Financial Liabilities |
| FRSs Annual Improvements 2009 – 2011 Cycle | |
| FRS 10, 11 & 12 | : Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance |
| FRS 101 | : Presentation of Items of Other Comprehensive Income |

The adoption of the above standards, amendments to published standards and interpretations does not give rise to any material effects to the Group. The adoption of FRS 13, Fair Value Measurement requires fair value disclosures for financial instruments to be included in the interim financial report as disclosed in Note 26.

On 19 November 2011, the MASB issued the new accounting framework, the Malaysian Financial Reporting Standards (“MFRS”) framework, which is effective for financial periods beginning on or after 1 January 2012 with the exception of entities that are within the scope of MFRS 141 and IC Interpretation 15 (hereafter called Transitioning Entities). On 30 June 2012, MASB has allowed the Transitioning Entities to defer adoption of MFRS framework for two (2) years. The Group falls within the scope of Transitioning Entities and has opted to defer the adoption of MFRS framework for the financial periods as allowed.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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 operations were not significantly affected by any seasonal or cyclical factors.

5. Unusual Items

There were no unusual items for the current quarter and financial year to-date.

6. Changes in Estimates

There were no change in estimates that have a material effect in the current quarter and financial year to-date.

7. Debt and Equity Securities

- i. During the financial year-to-date, AMPROP acquired 120,000 of its own shares through purchases on the Bursa Malaysia. The total amount paid to acquire the shares was RM90,810 and has been deducted from shareholders' equity. The shares are held as 'Treasury shares'. The Company has the right to resell or cancel these shares at a later date.
- ii. During the financial year-to-date, AMPROP has issued 2,300,000 ordinary shares of RM0.50 each at par for the Group's Employees' Share Scheme. These shares are held by AmTrustee Bhd as trustee for the Scheme until such time the share options are exercised. In the same period, 2,785,000 share options were exercised and a similar number of shares were issued by the trustee to the employees.
- iii. On 3 September 2013, AMPROP granted 8,322,500 options to the eligible Executive Directors and employees under the Employees' Share Option Scheme ('ESS') at an option price of RM0.69 in accordance to the By-Laws of the ESS.

8. Dividends

| | 6 months Ended 30.09.2013 RM'000 | 6 months Ended 30.09.2012 RM'000 |
|--|---|---|
| In respect of financial year ended 31 March 2012 | | |
| - Final dividend of 6% less 25% Malaysian Income Tax, per ordinary share of RM0.50 each, was paid on 25 September 2012 | - | 12,894 |

A final dividend of 6% less 25% Malaysian Income Tax, per ordinary share of RM0.50 each amounting to RM12,986,528 in respect of the financial year ended 31 March 2013, was approved by members at the recent Annual General Meeting and paid on 3 October 2013.

No dividend has been recommended by the directors or paid for the financial period ended 30 September 2013.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. Operating Segments

Segmental revenue and results for the financial year to-date were as follows:

| | Property | | Engineering & Infrastructure | Others | Group |
|---|-----------------|-----------------------|---|----------------|---------------|
| | Malaysia | United Kingdom | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment revenue | | | | | |
| Continuing operations | | | | | |
| Revenue | 28,866 | 4,559 | 30,812 | 5,196 | 69,433 |
| Inter-segment revenue | (7,797) | - | - | (5,196) | (12,993) |
| | <u>21,069</u> | <u>4,559</u> | <u>30,812</u> | <u>-</u> | <u>56,440</u> |
| Segment Results | | | | | |
| Interest income | 2,097 | 4,033 | 2,242 | (7,923) | 449 |
| | 362 | 60 | 310 | 281 | 1,013 |
| Operating profit | 2,459 | 4,093 | 2,552 | (7,642) | 1,462 |
| Finance costs | (1,417) | (2,450) | (829) | (1,610) | (6,306) |
| Share of results of jointly controlled entities | - | 4,906 | - | - | 4,906 |
| Share of results of associates | - | - | 12,104 | 1,120 | 13,224 |
| Profit before tax | <u>1,042</u> | <u>6,549</u> | <u>13,827</u> | <u>(8,132)</u> | <u>13,286</u> |
| Taxation | 1,138 | - | (538) | - | 600 |
| Profit for the period | <u>2,180</u> | <u>6,549</u> | <u>13,289</u> | <u>(8,132)</u> | <u>13,886</u> |

10. Operating Profit from Operations

| | 3 months Ended 30.9.2013 RM'000 | 6 months Ended 30.9.2013 RM'000 |
|--|--|--|
| Operating profit includes: | | |
| Interest income | 543 | 1,013 |
| Gain on disposal of: | | |
| - Property, plant and equipment | 16 | 16 |
| - Investment properties | - | 3,977 |
| Gain on foreign exchange: | | |
| - Realised | 56 | 130 |
| Write back of property development costs | 391 | 1,410 |
| Write back of impairment loss on trade and other receivables | - | 120 |
| Realised fair value gain on derivative financial instruments | 720 | 902 |
| and is arrived at after charging: | | |
| Depreciation of: | | |
| - Property, plant and equipment | 595 | 1,173 |
| - Investment properties | 989 | 1,986 |
| Loss on foreign exchange: | | |
| - Realised | 1 | 44 |
| - Unrealised | - | 280 |
| Share options expense | <u>1,498</u> | <u>1,498</u> |

Other than as disclosed in Note 5, there are no other exceptional items for the current quarter and financial year to-date.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

11. Material Events Subsequent to the end of interim period

As at the date of this report, there was no material event subsequent to the balance sheet date that affects the results of the Group for the financial year to-date.

12. Changes in the Composition of the Group

- i. On 18 April 2013, Walleng Enterprises Sdn Bhd, a wholly-owned subsidiary of AMPROP, had subscribed for 1 ordinary shares of £1.00 each in Campden Global Limited ("CGL"), representing 100% of the issued and paid-up share capital of CGL, at par for cash. The subscription has no material financial effect to the Group.
- ii. On 25 July 2013, Amprop had completed the acquisition of the remaining 2.5% equity interest in AMBC Transmission Sdn Bhd ("AMBCT"), representing 400,000 ordinary shares of RM1.00 each in AMBCT for a consideration of RM200,000 from Best & Crompton Engg. Limited. AMBCT become a wholly-owned subsidiary of Amprop and the acquisition resulted a loss of RM55,454 recognised in the retained earnings as transaction with owner.
- iii. On 1 August 2013, two wholly-owned subsidiaries of the Group, Syarikat Kompleks Damai Sdn Bhd and Selaju Sdn Bhd had received notification from Companies Commission of Malaysia ("CCM") that the company had been struck off from the register of CCM upon the application by the company. The strike off has no material effect to the Group.
- iv. On 14 August 2013, Campden Global Limited ("CGL"), a wholly-owned indirect subsidiary of AMPROP had entered into a members' agreement with two UK joint venture partners, in relation to the joint-venture entity, NLG Campden LLP ("NLG") of which CGL owned 33.33% of equity interest in NLG. NLG simultaneously entered into an agreement to acquire the entire membership interest in Clan Kensington LLP ("CK") of which CK owns a 50% equity interest in GH Campden Hill LLP ("GC"). GC has the freehold interest in a land at Holland Park School, Campden Hill Road, London W8, United Kingdom and intends to develop 72 residential apartments on lower ground, ground and six upper floors and 78 basement car parking spaces. The total floor area under this consented scheme is approximately 175,000 square feet. AMPROP has committed up to GBP25.3 million for this joint venture.

13. Review of Performance

Current quarter

The Group recorded revenue of RM23.9 million for the period with the property division contributing RM10.6 million and the engineering and infrastructure division contributing RM13.3 million. The Group recorded a profit before taxation of RM1.6 million mainly contributed by UK property division and associates of RM2.1 million and RM6.6 million respectively.

Revenue from property in Malaysia was derived from on-going development projects in Shah Alam and Sibul totalled RM6 million. Rental income from investment properties in both UK and Malaysia contributed further revenue of RM4.6 million. The Property division results mainly contributed by sales of Pavilion D apartments although it was affected by the incurrence of the acquisition expenditure for the new joint venture (NLG Campden) and the completion of sales of Baker Street residential units.

The Engineering division revenue was mainly contributed by Blue Star M&E from their ventilation and air-condition systems ("VAC") commissioning contracts of RM7.3 million and AMBC Transmission from transmission contract works of RM4.5 million. The engineering and infrastructure division recorded profit before taxation of RM0.5 million with profit mainly from power generation from its mini-hydro project.

KESAS contributed RM6.2 million out of the Group's share of associates results of RM6.6m.

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Year-to-date

Profit before taxation for the financial period of RM13.3 million was derived from its London properties – sales of Baker Street apartments and Pavilion D units of RM3.9 million and RM4 million respectively coupled with share of results of associates of RM13.2 million.

14. Material Change in Results for Current Quarter Compared with Preceding Quarter

The Group recorded profit before taxation of RM1.6 million in the current quarter compared with RM11.7 million in preceding quarter.

The major contributing factors to the higher profit in preceding quarter was sales of the remaining two residential units in Baker Street in UK and higher sales at Kayangan Heights in Shah Alam.

15. Current Year Prospects

The Board expects sales from its Neobank and other projects in London to contribute positively to the Group's earnings. Barring any unforeseen circumstances, the Board is optimistic that the Group's operations will be profitable for the year ending 31 March 2014.

16. Profit Forecast

There were no profits forecast or profit guarantee made by the Group.

17. Taxation

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

| | 3 months Ended 30.9.2013 RM'000 | 6 months Ended 30.9.2013 RM'000 |
|-------------------------------|--|--|
| Current period tax income | 593 | 382 |
| Deferred tax | (99) | (364) |
| Over-provision in prior years | 582 | 582 |
| | <u>1,076</u> | <u>600</u> |

The effective tax rates for the current quarter and financial year-to-date are lower than the statutory tax rate mainly due to capital gains which are not taxable and tax credits from dividends received from subsidiaries coupled with over-provision in prior years.

18. Status of Corporate Proposals

On 4 November 2013, AMPROP received a letter of offer from Gamuda Berhad ("GAMUDA"), who currently holds 30% equity interest in KESAS Holdings Berhad ("KESAS"), which sets out an offer to acquire AMPROP's 20% equity interest in KESAS for cash consideration of RM250 million.

The Board have deliberated and will further negotiate with GAMUDA on the terms of the offer.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

19. Group Borrowings and Debt Securities

Group borrowings and debt securities as at 30 September 2013 were as follows:

| | Long Term Borrowings RM'000 | Short Term Borrowings RM'000 | Total RM'000 |
|------------------|--|---|-------------------------|
| <u>Secured</u> | | | |
| Ringgit Malaysia | 53,732 | 73,799 | 127,531 |
| Pound Sterling | 169,286 | 59,874 | 229,160 |
| <u>Unsecured</u> | | | |
| Ringgit Malaysia | - | 23,212 | 23,212 |
| Total | 223,018 | 156,885 | 379,903 |

20. Capital Commitments

| | As at 30.9.2013 RM'000 |
|---|---------------------------------------|
| Approved and contracted for: | |
| Investment in jointly controlled entities | |
| - Pound Sterling (GBP17.49 million) | 92,094 |
| Solar work-in-progress | 963 |
| Leasehold land | 2,890 |
| | 95,947 |

21. Changes in Contingent Liabilities and Contingent Assets

The total of letter of credit, other bank guarantees and performance bonds has increased from RM10,894,276 as at 31 March 2013 to RM16,240,131 as at 30 September 2013.

Other than disclosed above, there were no other changes in contingent liabilities or contingent assets since the last financial year ended 31 March 2013.

22. Derivatives and Fair Value Changes of Financial Liabilities

- a) Forward foreign exchange purchase contracts that were outstanding as at 30 September 2013 are as follows:-

| | Contract / Notional Value RM'000 | Fair Value RM'000 |
|--|---|------------------------------|
| Purchase Contracts - GBP - Less than 1 year | 30,756 | 995 |

The above contracts were entered into to hedge its cash flow requirements and to limit the exposure to potential changes in foreign exchange rates.

There is minimal credit risk as the contracts were entered into with reputable banks.

The forward foreign exchange contracts initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value through profit or loss. The resulting gain or loss from the remeasurement is recognised in profit or loss.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

- b) Other than as disclosed above, there were no fair value gain/(loss) on fair value changes of financial liabilities.

23. Changes in Material Litigation

There was no pending material litigation as at the date of this report.

24. Earnings Per Share

Basic

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

| | 3 months Ended 30.9.2013 RM'000 | 6 months Ended 30.9.2013 RM'000 |
|--|--|--|
| Profit for the period attributable to owners of the parent | <u>2,774</u> | <u>14,005</u> |
| Weighted average number of ordinary shares in issue ('000) | <u>576,562</u> | <u>576,220</u> |
| Basic earnings per share (sen) | <u>0.48</u> | <u>2.43</u> |

The computation of the weighted average number of ordinary shares in issue is net of treasury shares.

Diluted

Diluted earnings per share for the reporting quarter and financial year-to-date are calculated by dividing the net profit for the period by the adjusted weighted average number of ordinary shares in issue during the period after taking into consideration of all dilutive potential ordinary shares.

| | 3 months Ended 30.9.2013 RM'000 | 6 months Ended 30.9.2013 RM'000 |
|---|--|--|
| Profit for the period attributable to owners of the parent | <u>2,774</u> | <u>14,005</u> |
| Weighted average number of ordinary shares in issue ('000) | 576,562 | 576,220 |
| Adjustments for share options granted ('000) | <u>1,273</u> | <u>1,117</u> |
| Adjusted weighted average number of ordinary shares in issue ('000) | <u>577,835</u> | <u>577,337</u> |
| Diluted earnings per share (sen) | <u>0.48</u> | <u>2.43</u> |

There is no effect to net profit from the share options adjustment.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

25. Significant Related Party Transactions

During the financial year-to-date, the Group's wholly owned subsidiary, Country Realty Limited disposed an apartment and a car park space located at 95-99 Baker Street and 4-6 Durweston Mews, United Kingdom to each of the following related parties:

- i. Amcorp Asset Limited, a wholly owned subsidiary of Amcorp Group Berhad, for a cash consideration of RM9.2 million; and
- ii. a former independent director of Amcorp Properties Berhad for a cash consideration of RM5.3 million.

The disposals resulted in a total gain of RM3.9 million to the Group.

26. Fair Value of Financial Instruments

The carrying amount of financial assets and liabilities of the Group for the financial period approximate their fair values except for the following:

| | Carrying amount RM'000 | Fair Value RM'000 |
|-------------------------|---------------------------------------|------------------------------|
| Financial Liabilities: | | |
| Hire-purchase creditors | <u>2,207</u> | <u>2,189</u> |

27. Realised and Unrealised Profits or Losses

| | As at 30.9.2013 RM'000 | As at 31.3.2013 RM'000 |
|---|---------------------------------------|---------------------------------------|
| Total retained profits of the Group: | | |
| - Realised | 322,547 | 312,771 |
| - Unrealised | 5,071 | 7,182 |
| | 327,618 | 319,953 |
| Total share of retained profits from associates: | | |
| - Realised | 52,481 | 47,814 |
| - Unrealised | (17,364) | (14,302) |
| | 35,117 | 33,512 |
| Total share of retained profits from jointly controlled entities: | | |
| - Realised | 12,033 | 7,127 |
| - Unrealised | - | - |
| Total group retained profits as per financial statements | <u>374,768</u> | <u>360,592</u> |

**BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG**

Company Secretary
Date: 14 November 2013