

QUARTERLY REPORT

Summary of Key Financial Information for the financial period ended 30 June 2017

| | Individual Quarter | | Cumulative Quarter | |
|--|---|---|---|---|
| | <u>30.06.2017</u> RM'000 | <u>30.06.2016</u> RM'000 | <u>30.06.2017</u> RM'000 | <u>30.06.2016</u> RM'000 |
| 1. Revenue | 38,413 | 43,829 | 38,413 | 43,829 |
| 2. Profit before taxation | 3,100 | 5,606 | 3,100 | 5,606 |
| 3. Profit for the period | 2,019 | 5,100 | 2,019 | 5,100 |
| 4. Profit attributable to ordinary equity holders of the parent | 1,329 | 4,477 | 1,329 | 4,477 |
| 5. Earnings per share (sen) : | | | | |
| Basic | 0.22 | 0.76 | 0.22 | 0.76 |
| Diluted | 0.18 | 0.62 | 0.18 | 0.62 |
| 6. Proposed/Declared dividend per share (sen) | - | - | - | - |
| 7. Gross interest income | 1,038 | 862 | 1,038 | 862 |
| 8. Gross interest expense | (5,873) | (3,441) | (5,873) | (3,441) |
| | | As at end of Current Quarter | | As at preceding Financial Year End |
| 9. Net assets per share attributable to ordinary equity holders of the parent (RM) | | 1.42 | | 1.42 |

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Quarter | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30.06.2017 RM'000 | 30.06.2016 RM'000 | 30.06.2017 RM'000 | 30.06.2016 RM'000 |
| Revenue | 38,413 | 43,829 | 38,413 | 43,829 |
| Cost of sales | (23,549) | (33,905) | (23,549) | (33,905) |
| Gross profit | 14,864 | 9,924 | 14,864 | 9,924 |
| Other operating income | 4,527 | 10,441 | 4,527 | 10,441 |
| Distribution expenses | (131) | (497) | (131) | (497) |
| Administrative expenses | (10,567) | (12,242) | (10,567) | (12,242) |
| Other operating expenses | (1,141) | (1,433) | (1,141) | (1,433) |
| Operating profit | 7,552 | 6,192 | 7,552 | 6,192 |
| Finance costs | (5,873) | (3,441) | (5,873) | (3,441) |
| Share of results of joint ventures | 1,530 | 3,032 | 1,530 | 3,032 |
| Share of results of associates | (109) | (177) | (109) | (177) |
| Profit before taxation | 3,100 | 5,606 | 3,100 | 5,606 |
| Taxation | (1,081) | (506) | (1,081) | (506) |
| Profit for the period | 2,019 | 5,100 | 2,019 | 5,100 |
| Other comprehensive income/(expense) that may be reclassified subsequently to profit or loss: | | | | |
| Foreign currency translations | 186 | (22,731) | 186 | (22,731) |
| Fair value changes in hedge | (1,901) | 229 | (1,901) | 229 |
| | (1,715) | (22,502) | (1,715) | (22,502) |
| Total comprehensive income | 304 | (17,402) | 304 | (17,402) |
| Profit Attributable to : | | | | |
| Owners of the Parent | 1,329 | 4,477 | 1,329 | 4,477 |
| Non-controlling interests | 689 | 623 | 689 | 623 |
| | 2,019 | 5,100 | 2,019 | 5,100 |
| Total comprehensive income attributable to : | | | | |
| Owners of the Parent | (385) | (18,244) | (385) | (18,244) |
| Non-controlling interests | 689 | 842 | 689 | 842 |
| | 304 | (17,402) | 304 | (17,402) |
| Earnings per share (sen) : | | | | |
| Basic | 0.22 | 0.76 | 0.22 | 0.76 |
| Diluted | 0.18 | 0.62 | 0.18 | 0.62 |

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2017.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 30.06.2017 RM'000 | Audited As at 31.03.2017 RM'000 |
|--|--|--|
| ASSETS | | |
| Non Current Assets | | |
| Property, plant and equipment | 246,725 | 227,650 |
| Investment properties | 95,495 | 96,011 |
| Investments in joint ventures | 856,603 | 723,186 |
| Investment in an associate | 7,593 | 7,931 |
| Other investments | 63 | 63 |
| Land held for property development | 69,512 | 68,568 |
| Long term receivables | 10,564 | 10,399 |
| Deferred tax assets | 19,585 | 19,967 |
| | <u>1,306,140</u> | <u>1,153,775</u> |
| Current Assets | | |
| Property development costs | 173,861 | 171,904 |
| Inventories | 18,126 | 21,027 |
| Trade and other receivables | 57,230 | 61,971 |
| Tax recoverable | 737 | 766 |
| Deposits, cash and bank balances | 144,945 | 165,903 |
| | <u>394,899</u> | <u>421,571</u> |
| TOTAL ASSETS | <u>1,701,039</u> | <u>1,575,346</u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share Capital | | |
| - ordinary shares | 304,103 | 303,101 |
| - redeemable convertible preference shares | 124,491 | 124,770 |
| Treasury shares | (10,973) | (10,078) |
| Reserves | 548,774 | 549,160 |
| Equity attributable to owners of the Parent | <u>966,395</u> | <u>966,953</u> |
| Non-controlling interests | 19,426 | 18,737 |
| | <u>985,821</u> | <u>985,690</u> |
| Non-current liabilities | | |
| Bank borrowings | 341,247 | 256,991 |
| Hire-purchase and lease creditors | 2,494 | 2,348 |
| Long term payables | 3,812 | 3,830 |
| Deferred tax liabilities | 707 | 707 |
| | <u>348,260</u> | <u>263,876</u> |
| Current Liabilities | | |
| Trade and other payables | 91,703 | 102,243 |
| Derivative liabilities | 4,764 | 5,983 |
| Bank borrowings | 269,119 | 216,295 |
| Hire-purchase and lease creditors | 1,127 | 1,096 |
| Taxation | 245 | 163 |
| | <u>366,958</u> | <u>325,780</u> |
| Total liabilities | <u>715,218</u> | <u>589,656</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,701,039</u> | <u>1,575,346</u> |
| Net assets per share (RM) | <u>1.42</u> | <u>1.42</u> |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2017.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | ----- Non-distributable ----- | | | | | | | Distributable | | | | |
|---|-------------------------------|---|------------------|--------------------|----------------|----------------------------------|------------------------------------|------------------|---------------------|----------------|------------------------------|-----------------|
| | Ordinary Share Capital | Redeemable Convertible Preference Shares | Share Premium | Treasury Shares | ESS Reserve | Capital Redemption Reserve | Exchange Translation Reserve | Other Reserve | Retained Profits | TOTAL | Non-controlling Interests | Total Equity |
| | 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 01.04.2016 | 300,200 | 127,234 | 772 | (7,331) | 1,403 | 20,658 | 166 | (310) | 551,155 | 993,947 | 19,695 | 1,013,642 |
| Total comprehensive income for the period | - | - | - | - | - | - | (22,731) | 229 | 4,477 | (18,025) | 842 | (17,183) |
| Shares repurchased | - | - | - | (1,620) | - | - | - | - | - | (1,620) | - | (1,620) |
| Ordinary shares issued pursuant to ESS | 505 | - | 185 | - | - | - | - | - | - | 690 | - | 690 |
| Conversion of preference shares | 489 | (978) | 489 | - | - | - | - | - | - | - | - | - |
| Share options granted | - | - | - | - | 1,225 | - | - | - | - | 1,225 | - | 1,225 |
| Options exercised | - | - | - | - | (151) | - | - | - | 151 | - | - | - |
| Balance as at 30.06.2016 | 301,194 | 126,256 | 1,446 | (8,951) | 2,477 | 20,658 | (22,565) | (81) | 555,783 | 976,217 | 20,537 | 996,754 |
| Balance as at 01.04.2017 | 303,101 | 124,770 | 2,478 | (10,078) | 2,152 | 20,658 | (5,273) | - | 529,145 | 966,953 | 18,737 | 985,690 |
| Total comprehensive income for the period | - | - | - | - | - | - | 186 | (1,901) | 1,329 | (386) | 689 | 303 |
| Shares repurchased | - | - | - | (895) | - | - | - | - | - | (895) | - | (895) |
| Ordinary shares issued pursuant to ESS | 723 | - | - | - | - | - | - | - | - | 723 | - | 723 |
| Conversion of preference shares | 279 | (279) | - | - | - | - | - | - | - | - | - | - |
| Options exercised | - | - | - | - | (135) | - | - | - | 135 | - | - | - |
| Balance as at 30.06.2017 | 304,103 | 124,491 | 2,478 | (10,973) | 2,017 | 20,658 | (5,087) | (1,901) | 530,609 | 966,395 | 19,426 | 985,821 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 3 months ended | |
|--|--------------------------|--------------------------|
| | <u>30.06.2017</u> | <u>30.06.2016</u> |
| | RM'000 | RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 3,100 | 5,606 |
| Adjustments for: | | |
| Share of results of joint ventures and associates | (1,421) | (2,855) |
| Gain on disposal of an associate | - | (384) |
| Depreciation of property, plant and equipment | 1,943 | 2,037 |
| Depreciation of investment properties | 574 | 486 |
| Realisation of foreign exchange reserve | (1,817) | (6,795) |
| Writeback of accrued development costs | (1,000) | (2,162) |
| Unrealised foreign exchange gain | (2,676) | - |
| Net interest expense | 4,835 | 2,579 |
| Others | 1,080 | 1,311 |
| Operating profit/(loss) before working capital changes | <u>4,618</u> | <u>(177)</u> |
| Increase in land held for development and property development costs | (2,901) | (5,055) |
| Decrease in inventories | 2,901 | 6,357 |
| Decrease in trade and other receivables | 7,336 | 3,608 |
| Decrease in trade and other payables | (15,688) | (3,288) |
| Net cash (used in)/generated from operations | <u>(3,734)</u> | <u>1,445</u> |
| Net taxation paid | (586) | (1,043) |
| Net interest paid | (4,064) | (2,850) |
| Net cash used in operating activities | <u>(8,384)</u> | <u>(2,448)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | 98 | - |
| Proceeds from disposal of associates | - | 10,452 |
| Proceeds from redemption of unquoted bond | - | 5,000 |
| Purchase of property, plant and equipment | (20,802) | (5,804) |
| Purchase of investment properties | - | (19,614) |
| Net contribution to joint ventures | (125,986) | (285,920) |
| Net cash used in investing activities | <u>(146,690)</u> | <u>(295,886)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net proceeds from share options exercised | 723 | 690 |
| Shares repurchased | (895) | (1,620) |
| Net drawdown of bank borrowings | 147,512 | 173,163 |
| Net repayment of hire purchase and lease creditors | (310) | (550) |
| Placement of deposit pledged with licensed bank | (79) | (1,558) |
| Net cash from financing activities | <u>146,951</u> | <u>170,125</u> |
| NET CHANGES IN CASH AND CASH EQUIVALENTS | (8,123) | (128,209) |
| Cash and cash equivalents at beginning of period | 124,559 | 206,888 |
| Effect of exchange rate on cash and cash equivalents | (500) | 4,739 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>115,936</u> | <u>83,418</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD COMPRISED: | | |
| Deposits, Cash and bank balances | 144,945 | 116,499 |
| Bank overdraft | (17,051) | (23,086) |
| | <u>127,894</u> | <u>93,413</u> |
| Less : Deposits pledged with licensed banks | (11,958) | (9,995) |
| | <u>115,936</u> | <u>83,418</u> |

The condensed consolidated statement cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2017.

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 Standards 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 2017.

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 2017, except for the adoption of the following standards and amendments to published standards which are effective for the financial period commencing after 1 April 2017:

Amendments to:

| | |
|---------|--|
| FRS 12 | Disclosure of Interest in Other Entities |
| FRS 107 | Disclosure Initiative |
| FRS 112 | Recognition of Deferred Tax Assets for Unrealised Losses |

The adoption of the above amendments to published standards do not give rise to any material effects to the Group.

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 where the new accounting framework need not be applied i.e. entities that are within the scope of MFRS 141 and IC Interpretation 15 ('hereafter called Transitioning Entities'). On 28 October 2015, MASB allowed Transitioning Entities to defer adoption of the MFRS framework to annual periods beginning on or after 1 January 2018. The Group falls within the scope of Transitioning Entities and has opted to defer the adoption of the MFRS framework for the financial periods as allowed.

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

7. Debt and Equity Securities

- i. During the financial year-to-date, AMPROP has issued a total of 1,372,000 ordinary shares, of which 1,093,000 ordinary shares under the Group's Employees' Share Scheme for a consideration of RM722,910, and 279,000 ordinary shares was converted from preference shares on the basis two (2) RCPS for every one (1) ordinary share.
- ii. The Group acquired 1,095,700 of its own shares through purchases on the Bursa Malaysia between 1 April 2017 to 30 June 2017. The total amount paid to acquire the shares was RM894,696 and had been deducted from shareholders' equity. The shares are held as 'Treasury shares'. The Company has the right to cancel, resell and/or distribute the treasury shares as dividends at the later date. The Directors have proposed to transfer the treasury shares for the purposes of an employees' share scheme or as purchase consideration, subject to the approval of members at the forthcoming Annual General Meeting.
- iii. On 14 July 2017, AMPROP granted 12,168,000 options to the eligible Executive Directors and employees under the Employees' Share Option Scheme ('ESS') at an option price of RM0.70 per share in accordance to the By-Laws of the ESS.

8. Dividends

No dividend has been recommended by the directors or paid for the financial period ended 30 June 2017.

9. 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 affect the results of the Group for the financial year-to-date.

10. Changes in the Composition of the Group

As at the date of this report, there were no changes in the composition of the Group.

11. Review of Performance

| | Current Year Quarter 30.06.2017 RM'000 | Preceding Year Corresponding Quarter 30.06.2016 RM'000 | Changes | |
|--|---|---|----------------|----------|
| | | | RM'000 | % |
| Revenue | 38,413 | 43,829 | (5,416) | (12%) |
| Profit before interest and tax | 8,973 | 9,047 | (74) | (1%) |
| Profit before tax | 3,100 | 5,606 | (2,506) | (45%) |
| Profit after tax | 2,019 | 5,100 | (3,081) | (60%) |
| Profit attributable to ordinary equity holders of the parent | <u>1,329</u> | <u>4,477</u> | (3,148) | (70%) |

Current quarter

The Group recorded revenue of RM38.4 million for the period with Malaysia properties and Renewable energy & contracting divisions contributing RM19.7 million and RM18.7 million respectively.

Revenue from Malaysia properties was mainly derived from Sibujaya township in East Malaysia of RM13.9 million, sales of properties in Klang Valley of RM3.1 million and rental income from investment properties of RM2.7 million.

The renewable energy & contracting division revenue was derived from ventilation and air conditioning contracts and transmission works of RM13.9 million coupled with power generation from both mini-hydro and solar projects of RM4.8 million.

As compare to corresponding quarter, revenue is lower by RM5.4 million mainly due to timing difference on revenue recognition for ventilation and air conditioning contracts.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

11. Review of Performance (continued)

The Group's profit before taxation of RM3.1 million was derived from sales of properties in Malaysia and foreign exchange income. This was lower than the corresponding quarter profit before tax of RM5.6 million due to higher interest expense as a result of drawdown of loans for our committed investments and lower foreign exchange income realised.

During the current quarter, additional borrowings of RM152.9 million were drawdown for investment into Spain joint venture as well as construction of Sungai Liang hydro plant.

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

| | Current Quarter 30.06.2017 RM'000 | Immediate Preceding Quarter 31.03.2017 RM'000 | Changes | |
|--|--|--|----------------|----------|
| | | | RM'000 | % |
| Revenue | 38,413 | 46,899 | (8,486) | (18%) |
| Profit before interest and tax | 8,973 | 10,825 | (1,852) | (17%) |
| Profit before tax | 3,100 | 5,213 | (2,113) | (41%) |
| Profit after tax | 2,019 | 3,462 | (1,443) | (42%) |
| Profit attributable to ordinary equity holders of the parent | <u>1,329</u> | <u>2,890</u> | (1,561) | (54%) |

The Group's revenue in the preceding quarter was higher by RM8.5 million mainly due to higher percentage of completion from ventilation and air conditioning contracts of RM21.4 million in preceding quarter compare to current quarter of RM11.9 million.

The Group recorded profit before taxation of RM3.1 million in the current quarter as compared with RM5.2 million in the preceding quarter with the variance coming from lower sales contribution from Malaysia properties projects in current quarter.

13. Operating Segments

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

| | Malaysia Properties & Others RM'000 | Overseas Properties RM'000 | Renewable Energy & Contracting RM'000 | Group RM'000 |
|------------------------------------|--|---|--|-------------------------|
| Segment revenue | | | | |
| Continuing operations | | | | |
| Total revenue | 20,233 | - | 18,753 | 38,986 |
| Inter-segment revenue | (573) | - | - | (573) |
| External revenue | <u>19,660</u> | - | <u>18,753</u> | <u>38,413</u> |
| Segment Results | | | | |
| Head office allocated expenses | 5,940 | 1,981 | 3,363 | 11,284 |
| Interest income | (1,431) | (3,005) | (334) | (4,770) |
| Operating profit | 1,073 | 1 | 361 | 1,435 |
| Finance costs | 5,582 | (1,023) | 3,390 | 7,949 |
| Share of results of joint ventures | (2,250) | (2,823) | (1,197) | (6,270) |
| Share of results of associates | - | 1,530 | - | 1,530 |
| Profit before taxation | <u>(109)</u> | <u>-</u> | <u>-</u> | <u>(109)</u> |
| Taxation | 3,223 | (2,316) | 2,193 | 3,100 |
| Profit for the period | <u>(463)</u> | <u>-</u> | <u>(618)</u> | <u>(1,081)</u> |
| Profit for the period | <u>2,760</u> | <u>(2,316)</u> | <u>1,575</u> | <u>2,019</u> |
| Segment assets | | | | |
| | 500,252 | 880,115 | 320,672 | 1,701,039 |
| Segment liabilities | | | | |
| | 241,082 | 251,970 | 222,166 | 715,218 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

13. Operating Segments (continued)

Profit from Malaysia Properties was mainly derived from sales at Sibujaya and Kayangan Heights.

Major contributors for the Overseas Properties are from the share of joint ventures results coupled with realisation of foreign exchange income of RM1.8 million as a result of capital repayment from our joint venture in Japan. The loss for Overseas properties is due to profit only recognised on completion of development projects coupled with higher interest cost.

Profit from Renewable Energy was derived from sale of electricity which has improved in particular our hydro projects due to the absence of El Nino phenomenon. Profit from Contracting was mainly derived from ventilation and air conditioning contracts.

14. Operating Profit from Operations

| | 3 months Ended 30.06.2017 RM'000 |
|---|---|
| Operating profit includes: | |
| Interest income | 1,038 |
| Gain on foreign exchange: | |
| - Realised | 1,817 |
| - Unrealised | 2,676 |
| Writeback of impairment loss on trade and other receivables | 94 |
| and is arrived at after charging: | |
| Depreciation of: | |
| - Property, plant and equipment | 1,943 |
| - Investment properties | 574 |
| Loss on disposal of property, plant and equipment | 116 |
| Fair value changes of derivatives: | |
| - Realised | 1,263 |
| - Unrealised | 1,299 |
| Realised loss on foreign exchange | <u>189</u> |

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

15. Current Year Prospects

The Board expects its two joint venture projects in London scheduled for completion in the current financial year to contribute positively to the Group's earnings. Barring any unforeseen circumstances, the Board expects the Group to be profitable for the year ending 31 March 2018.

16. Profit Forecast

There was no profit forecast or profit guarantee made by the Group.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

17. Taxation

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

| | 3 months Ended 30.06.2017 RM'000 |
|--------------------|---|
| Income tax expense | 699 |
| Deferred tax | 382 |
| | <u>1,081</u> |

The effective tax rate for the current quarter is higher than the statutory tax rate mainly due to certain expenses was not utilised for tax deduction or for group relief.

18. Status of Corporate Proposals

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

19. Group Borrowings and Debt Securities

| | Long Term Borrowings RM'000 | As at 30.06.2017 Short Term Borrowings RM'000 | Total RM'000 |
|--|--|--|-------------------------|
| <u>Secured</u> | | | |
| Ringgit Malaysia | 173,644 | 50,717 | 224,361 |
| Pound Sterling (GBP30 million at exchange rate GBP1:RM5.5900) | 83,850 | 83,850 | 167,700 |
| <u>Unsecured</u> | | | |
| Ringgit Malaysia | - | 134,552 | 134,552 |
| US Dollar (USD19.5 million at exchange rate USD1:RM4.2950) | 83,753 | - | 83,753 |
| | <u>341,247</u> | <u>269,119</u> | <u>610,366</u> |
| | | As at 31.03.2017 | |
| | Long Term Borrowings RM'000 | Short Term Borrowings RM'000 | Total RM'000 |
| <u>Secured</u> | | | |
| Ringgit Malaysia | 114,414 | 50,471 | 164,885 |
| Pound Sterling (GBP30 million at exchange rate GBP1:RM5.5240) | 82,860 | 82,860 | 165,720 |
| <u>Unsecured</u> | | | |
| Ringgit Malaysia | - | 82,964 | 82,964 |
| US Dollar (USD13.5 million at exchange rate USD1:RM4.4235) | 59,717 | - | 59,717 |
| | <u>256,991</u> | <u>216,295</u> | <u>473,286</u> |

As at current year quarter, total borrowings of the Group has increased by RM137 million as compared with the preceding quarter from additional borrowings drawdown for investment into Spain joint venture and construction of hydro plant in Sungai Liang.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

19. Group Borrowings and Debt Securities (continued)

The weighted average effective interest rates of borrowings are as follows:

| | As at 30.06.2017 | As at 31.03.2017 |
|------------------|-----------------------------|-----------------------------|
| Ringgit Malaysia | 5.50% | 5.83% |
| Pound Sterling | 2.95% | 2.96% |
| US Dollar | <u>5.13%</u> | <u>5.11%</u> |

All of the Group's borrowings are at floating rates.

The borrowings denominated in GBP and USD are utilised to finance the Group's overseas investments.

20. Capital Commitments

| | As at 30.06.2017 RM'000 |
|--|--|
| Approved and contracted for: | |
| Construction of renewable energy plant | 27,140 |
| Investment in joint ventures | |
| - Pound Sterling (GBP1.13 million) | 6,317 |
| - Hong Kong Dollar (HKD127.6 million) | <u>70,218</u> |
| | <u><u>103,675</u></u> |

21. Changes in Contingent Liabilities and Contingent Assets

The total letter of credit and other bank guarantees have decreased from RM21,869,815 as at 31 March 2017 to RM16,978,987 as at 30 June 2017.

Other than disclosed above, there were no other changes in contingent liabilities or contingent assets since the last financial year ended 31 March 2017.

22. Foreign Exchange Exposure and the Use of Derivatives and Fair Value Changes of Financial Liabilities

Where necessary in accordance with the Group's strategy, it enters into foreign currency forward contracts to hedge either its capital investment in foreign joint ventures or projects. Foreign currency fluctuations of its long term capital investments are normally recorded in the statement of changes in equity. The Group also secures borrowings in the currency of its foreign investments which act as natural foreign exchange hedge.

(a) Derivative foreign exchange contract that was outstanding as at 30 June 2017 is as follows:

| | Forward Notional Value RM'000 | Fair Value Liabilities RM'000 |
|---|--|--|
| <u>Within 1 year</u> | | |
| Forward contract of Yen 2.350 billion for purchase of USD | 90,350 | 1,472 |
| Forward contract of EUR 34.4 million for purchase of USD | <u>166,265</u> | <u>3,292</u> |

The forward currency contracts were entered to hedge the receivables and payables in foreign currencies.

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

22. Foreign Exchange Exposure and the Use of Derivatives and Fair Value Changes of Financial Liabilities (continued)

- (a) The forward foreign exchange contract was initially recognised at fair value on the date the derivative contract was entered into and subsequently remeasured at fair value. The resulting gain or loss from the remeasurement of the above hedging instrument was recognised in the profit or loss to match the hedged foreign currency item or recognised in the hedge reserve.
- (b) Other than the fair value changes of derivatives as disclosed in Note 14, there were no fair value gain/(loss) on fair value changes of financial liabilities recognised in the profit or loss.

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 30.06.2017 RM'000 |
|---|---|
| Profit for the period attributable to ordinary equity holders of the parent | <u>1,329</u> |
| Weighted average number of ordinary shares in issue ('000) | <u>593,173</u> |
| Basic earnings per share (sen) | <u>0.22</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 30.06.2017 RM'000 |
|---|---|
| Profit for the period attributable to ordinary equity holders of the parent | <u>1,329</u> |
| Weighted average number of ordinary shares in issue ('000) | 593,173 |
| Adjustments for share options granted ('000) | 2,043 |
| Adjustments for preference shares convertible to ordinary shares ('000) | <u>124,615</u> |
| Adjusted weighted average number of ordinary shares in issue ('000) | <u>719,831</u> |
| Diluted earnings per share (sen) | <u>0.18</u> |

There is no effect to net profit from the adjustments of share options granted.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

25. 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 and lease creditors | <u>3,621</u> | <u>3,664</u> |

26. Realised and Unrealised Profits or Losses

| | As at 30.06.2017 RM'000 | As at 31.03.2017 RM'000 |
|--|--|--|
| Total retained profits of the Group: | | |
| - Realised | 503,023 | 501,199 |
| - Unrealised | 20,002 | 21,783 |
| | 523,025 | 522,982 |
| Total share of retained profits from joint ventures: | | |
| - Realised | 14,291 | 12,761 |
| - Unrealised | - | - |
| Total share of retained profits from associates: | | |
| - Realised | (6,707) | (6,598) |
| - Unrealised | - | - |
| | (6,707) | (6,598) |
| Total group retained profits as per financial statements | <u>530,609</u> | <u>529,145</u> |

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

Company Secretary
Date: 23 August 2017