

QUARTERLY REPORT

Summary of Key Financial Information for the financial period ended 30 June 2019

	Individual Quarter		Cumulative Quarter	
	<u>30.06.2019</u> RM'000	<u>30.06.2018</u> RM'000	<u>30.06.2019</u> RM'000	<u>30.06.2018</u> RM'000
1. Revenue	35,080	32,638	35,080	32,638
2. Profit before taxation	5,500	7,226	5,500	7,226
3. Profit for the period	3,203	5,191	3,203	5,191
4. Profit attributable to ordinary equity holders of the parent	2,461	3,939	2,461	3,939
5. Earnings per share (sen) :				
Basic	0.42	0.67	0.42	0.67
Diluted	0.20	0.36	0.20	0.36
6. Proposed/Declared dividend per share (sen)	-	-	-	-
7. Gross interest income	3,088	3,151	3,088	3,151
8. Gross interest expense	(7,212)	(5,556)	(7,212)	(5,556)
		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)		1.55		1.55

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	30.06.2019 RM'000	30.06.2018 RM'000	30.06.2019 RM'000	30.06.2018 RM'000
Revenue	35,080	32,638	35,080	32,638
Cost of sales	(20,043)	(17,909)	(20,043)	(17,909)
Gross profit	15,037	14,729	15,037	14,729
Other operating income	3,580	5,844	3,580	5,844
Distribution expenses	(91)	(125)	(91)	(125)
Administrative expenses	(13,489)	(11,387)	(13,489)	(11,387)
Other operating expenses	(1,336)	(780)	(1,336)	(780)
Operating profit	3,701	8,281	3,701	8,281
Finance costs	(7,212)	(5,556)	(7,212)	(5,556)
Share of results of joint ventures	8,829	4,288	8,829	4,288
Share of results of associates	182	213	182	213
Profit before taxation	5,500	7,226	5,500	7,226
Taxation	(2,297)	(2,035)	(2,297)	(2,035)
Profit for the period	3,203	5,191	3,203	5,191
Other comprehensive income/(expense) that may be reclassified subsequently to profit or loss:				
Foreign currency translations	(718)	(7,052)	(718)	(7,052)
Fair value changes in hedge	1,593	-	1,593	-
Share of hedge reserve of a joint venture	276	-	276	-
	1,151	(7,052)	1,151	(7,052)
Total comprehensive loss	4,354	(1,861)	4,354	(1,861)
Profit Attributable to :				
Owners of the Parent	2,461	3,939	2,461	3,939
Non-controlling interests	742	1,252	742	1,252
	3,203	5,191	3,203	5,191
Total comprehensive loss attributable to :				
Owners of the Parent	3,612	(3,113)	3,612	(3,113)
Non-controlling interests	742	1,252	742	1,252
	4,354	(1,861)	4,354	(1,861)
Earnings per share (sen) :				
Basic	0.42	0.67	0.42	0.67
Diluted	0.20	0.36	0.20	0.36

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 2019.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.06.2019 RM'000	Audited As at 31.03.2019 RM'000
ASSETS		
<u>Non-current Assets</u>		
Property, plant and equipment	264,490	267,946
Right of use asset	331	-
Investment properties	88,705	89,221
Investments in joint ventures	762,944	696,148
Investment in an associates	14,402	14,014
Other investments	63	63
Inventories	67,203	72,333
Long term receivables	8,565	9,402
Deferred tax assets	40,561	41,010
	<u>1,247,264</u>	<u>1,190,137</u>
<u>Current Assets</u>		
Inventories	211,926	209,090
Trade and other receivables	59,428	52,291
Derivative assets	3,864	-
Tax recoverable	1,807	1,720
Deposits, cash and bank balances	457,817	528,522
	<u>734,842</u>	<u>791,623</u>
TOTAL ASSETS	<u>1,982,106</u>	<u>1,981,760</u>
EQUITY AND LIABILITIES		
<u>Equity</u>		
Share Capital		
- ordinary shares	328,568	328,531
- redeemable convertible preference shares	479,168	479,205
Treasury shares	(14,232)	(14,232)
Reserves	605,458	601,846
Equity attributable to owners of the Parent	<u>1,398,962</u>	<u>1,395,350</u>
Non-controlling interests	25,464	24,722
	<u>1,424,426</u>	<u>1,420,072</u>
<u>Non-current Liabilities</u>		
Bank borrowings	318,467	323,069
Hire purchase and lease liabilities	2,553	2,232
Long term payables	3,537	3,486
Deferred tax liabilities	1,542	1,555
	<u>326,099</u>	<u>330,342</u>
<u>Current Liabilities</u>		
Trade and other payables	67,121	84,783
Derivative liabilities	11,543	8,741
Bank borrowings	149,143	134,408
Hire purchase and lease liabilities	1,366	1,229
Current tax liabilities	2,408	2,185
	<u>231,581</u>	<u>231,346</u>
Total liabilities	<u>557,680</u>	<u>561,688</u>
TOTAL EQUITY AND LIABILITIES	<u>1,982,106</u>	<u>1,981,760</u>
Net assets per share (RM)	<u>1.55</u>	<u>1.55</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2019.

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	Hedge 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 01.04.2018	305,348	123,802	1,344	(13,242)	3,333	20,658	(46,837)	-	644,901	1,039,307	23,653	1,062,960
Total comprehensive income for the period	-	-	-	-	-	-	(7,052)	-	3,939	(3,113)	1,252	(1,861)
Shares repurchased	-	-	-	(748)	-	-	-	-	-	(748)	-	(748)
Ordinary shares issued pursuant to ESS	-	356,584	-	-	-	-	-	-	-	356,584	-	356,584
Conversion of RCPS A	398	(398)	-	-	-	-	-	-	-	-	-	-
Options lapsed	-	-	-	-	(2)	-	-	-	2	-	-	-
Balance as at 30.06.2018	305,746	479,988	1,344	(13,990)	3,331	20,658	(53,889)	-	648,842	1,392,030	24,905	1,416,935
Balance as at 01.04.2019	328,531	479,205	-	(14,232)	5,644	-	(48,801)	(739)	645,742	1,395,350	24,722	1,420,072
Total comprehensive income for the period	-	-	-	-	-	-	(718)	1,869	2,461	3,612	742	4,354
Conversion of RCPS B	37	(37)	-	-	-	-	-	-	-	-	-	-
Options lapsed	-	-	-	-	(154)	-	-	-	154	-	-	-
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30.06.2019	328,568	479,168	-	(14,232)	5,490	-	(49,519)	1,130	648,357	1,398,962	25,464	1,424,426

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	<u>30.06.2019</u>	<u>30.06.2018</u>
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,500	7,226
Adjustments for:		
Share of results of joint ventures and associates	(9,011)	(4,501)
Gain on disposal of investment properties	-	845
Depreciation of property, plant and equipment	4,001	2,073
Depreciation of investment properties	516	516
Net interest expense	4,124	2,405
Others	185	436
Operating profit before working capital changes	<u>5,315</u>	<u>9,000</u>
Decrease/(Increase) in inventories	2,294	(113)
(Increase)/Decrease in trade and other receivables	(4,697)	7,704
Decrease in trade and other payables	(14,461)	(11,775)
Net cash (used in)/generated from operations	<u>(11,549)</u>	<u>4,816</u>
Net taxation paid	(1,683)	(964)
Net interest paid	(5,044)	(3,036)
Net cash (used in)/from operating activities	<u>(18,276)</u>	<u>816</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	70	-
Proceeds from disposal of investment properties	-	3,400
Purchase of property, plant and equipment	(104)	(3,249)
Dividends received from joint ventures	33,450	23,449
Net (contributions to)/capital returns from joint ventures	(90,602)	5,120
Net cash (used in)/from investing activities	<u>(57,186)</u>	<u>28,720</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of RCPS B	-	356,584
Shares repurchased	-	(748)
Net repayments of bank borrowings	(7,840)	(189,143)
Net repayments of hire purchase and lease creditors	(362)	(336)
Withdrawals/(Placements) of deposit pledged with licensed bank	2,517	(83)
Net cash (used in)/from financing activities	<u>(5,685)</u>	<u>166,274</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(81,147)	195,810
Cash and cash equivalents at beginning of period	510,883	421,457
Effect of exchange rate on cash and cash equivalents	(1,051)	(6,310)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>428,685</u>	<u>610,957</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD COMPRISED:		
Deposits, Cash and bank balances	457,817	619,756
Bank overdraft	(21,290)	(11)
	<u>436,527</u>	<u>619,745</u>
Less : Deposits pledged with licensed banks	(7,842)	(8,788)
	<u>428,685</u>	<u>610,957</u>

The condensed consolidated statement cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2019.

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 MFRS 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 2019.

2. Changes in Significant Accounting Policies

The significant accounting policies and presentation adopted for this interim report are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2019, except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective for financial year ending 31 March 2020 as disclosed below:

MFRS 16	Leases
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments

Adoption of the above amendments and IC Interpretation did not have any material effect to the Group except for the adoption of MFRS 16 as disclosed below:

MFRS 16 replaces the guidance in MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases - Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Prior to the adoption of MFRS 16, leases are classified as operating or finance leases based on assessment of whether the lease transferred significantly all of the risks and rewards incidental to the ownership of the underlying asset to the Group.

Upon adoption of MFRS 16, the Standards introduces a single, on-balance sheet lease accounting model in which lessee recognise a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. ROU assets are depreciated throughout the lease period in accordance with the depreciation requirements of MFRS 116 *Property, Plant and Equipment* whereas lease liability is accreted to reflect interest and is reduced to reflect payments made.

Lessor accounting remains similar to MFRS 117 which continued to be classified as finance or operating lease.

As permitted by the recognition exemptions under MFRS16, the Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

And as permitted by the transitional provision of MFRS 16, the Group has applied modified retrospective approach on the initial application of the standard and comparatives are not restated.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. Changes in Significant Accounting Policies (continued)

The impact arising from initial application of MFRS 16 on 1 April 2019 are as follows:

Group 01.04.2019	Previously reported RM'000	Effects of adoption MFRS 16 RM'000	Restated RM'000
ASSETS			
Right-of-use assets	-	355	355
LIABILITIES			
Non-current liabilities			
Hire purchase and lease liabilities	2,232	267	2,499
Current liabilities			
Hire purchase and lease liabilities	1,229	88	1,317

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

During the financial year-to-date, AMPROP has issued a total of 52,900 ordinary shares which was converted from RCPS B on the basis one (1) RCPS B for every one (1) ordinary share.

There were no repurchases and repayments of debt and equity securities during the financial period ended 30 June 2019.

As at 30 June 2019, the number of ordinary shares in issue after deducting the treasury shares is 591,839,383 ordinary shares.

8. Dividends

No dividend has been recommended by the directors or paid for the financial period ended 30 June 2019.

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

10. Changes in the Composition of the Group

On 2 July 2019, AMPROP incorporated Amcorp Dynamic Limited in the British Virgin Islands with issued and paid-up share capital of USD 1 comprising one (1) ordinary share, held by Neo Elements Limited, a wholly owned subsidiary of AMPROP.

On 6 August 2019, Amcorp Dynamic Limited entered into a co-investment agreement to acquire an effective equity interest of 20% in 4 blocks of office building in Daning International Commercial Plaza, Shanghai, People's Republic of China. Amprop's commitment to the joint venture is USD22.9 million (approximately RM94.9 million).

11. Review of Performance

	Current Year Quarter 30.06.2019 RM'000	Preceding Year Corresponding Quarter 30.06.2018 RM'000	Changes	
			RM'000	%
Revenue	35,080	32,638	2,442	7%
Profit before interest and tax	12,712	12,782	(70)	(1%)
Profit before tax	5,500	7,226	(1,726)	(24%)
Profit after tax	3,203	5,191	(1,988)	(38%)
Profit attributable to owners of the Parent	<u>2,461</u>	<u>3,939</u>	(1,478)	(38%)

Current quarter

The Group recorded revenue of RM35.1 million for current quarter with Malaysia properties and Renewable energy & contracting divisions contributing RM12.3 million and RM22.8 million respectively.

Revenue from Malaysia properties was mainly derived from sales in Sibujaya and Kayangan Heights of RM9.6 million coupled with rental income from investment properties of RM2.7 million.

The renewable energy & contracting division revenue was derived from ventilation and air conditioning contracts works of RM13.9 million coupled with power generation of RM8.9 million.

The Group's PAT of RM3.2 million was mainly contributed by share of profits from UK and Japan joint ventures as a result of sale of properties and Renewable energy & contracting divisions. The current quarter PAT was lower than the preceding year corresponding quarter by RM2 million due to lower profit from Malaysia properties and contracting business.

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

	Current Quarter 30.06.2019 RM'000	Immediate Preceding Quarter 31.03.2019 RM'000	Changes	
			RM'000	%
Revenue	35,080	49,407	(14,327)	(29%)
Profit before interest and tax	12,712	16,579	(3,867)	(23%)
Profit before tax	5,500	9,516	(4,016)	(42%)
Profit after tax	3,203	30,201	(26,998)	(89%)
Profit attributable to owners of the Parent	<u>2,461</u>	<u>28,916</u>	(26,455)	(91%)

The Group's revenue in the current quarter is lower by RM14.3 million mainly due to lower sales and revenue from Malaysia properties and contracting divisions.

The Group's current quarter profit after tax is lower by RM27 million primarily due to the recognition of deferred tax asset of RM23 million on commencement of Sungai Liang hydro power plant in immediate preceding quarter.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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	12,458	-	22,751	35,209
Inter-segment revenue	(129)	-	-	(129)
External revenue	12,329	-	22,751	35,080
Segment Results				
Head office allocated expenses	498	137	4,975	5,610
Interest income	(1,249)	(3,397)	(350)	(4,996)
Operating profit	1,721	1,659	157	3,537
Finance costs	970	(1,601)	4,782	4,151
Share of results of joint ventures	(2,479)	(2,810)	(2,373)	(7,662)
Share of results of associates	-	8,829	-	8,829
Profit before taxation	182	-	-	182
Taxation	(1,327)	4,418	2,409	5,500
Profit for the period	(130)	(1,328)	(839)	(2,297)
Profit for the period	(1,457)	3,090	1,570	3,203
Segment assets	634,927	989,266	357,913	1,982,106
Segment liabilities	283,519	46,997	227,164	557,680

The Group's profit was contributed by all three divisions jointly.

14. Operating Profit from Operations

	3 months Ended 30.06.2019 RM'000
Operating profit is arrived after crediting/(charging):	
Interest income	3,088
Gain on disposal of property, plant and equipment	49
Writeback of impairment loss on trade receivables	173
Net foreign exchange loss	(174)
Depreciation of:	
- Property, plant and equipment	(4,001)
- Investment properties	(516)
Property, plant and equipment written off	(3)
Impairment loss on trade and receivables	(205)

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

15. Current Year Prospects

The Board expects all the divisions to contribute positively to the Group's earnings in the current financial year. Barring any unforeseen circumstances, the Board expects the Group's operations to be profitable for the year ending 31 March 2020.

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 30.06.2019 RM'000
Income tax expense	1,847
Deferred tax	450
	<u>2,297</u>

The effective tax rate for the current quarter is higher than the statutory tax rate mainly due to losses from certain companies that were not entitled to be utilised as group relief.

18. Status of Corporate Proposals

On 26 April 2018, the Company completed its renounceable rights issue of class B redeemable preference shares ("RCPS B") at an issue price of RM0.70 per RCPS B on the basis of 1 RCPS B for every existing ordinary share in the Company.

A total of 509,406,416 RCPS B were issued pursuant to the rights issue and the total proceeds raised was RM356,584,491.

At the date of this report, the status of utilisation of the proceeds are as follows:

No.	Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Maturity:
1	Existing property development projects and investments	95,900	20,000	Within 24 months
2	Repayments of bank borrowings	238,400	238,400	Within 23 months
3	Future property development projects, investments/acquisitions	6,500	6,500	Within 30 months
4	Working capital	14,184	14,184	Within 30 months
5	Estimated expenses for the Corporate Exercise	1,600	1,600	Within 1 month
	Total	356,584	280,684	

The Company is proposing to vary the proposed utilisation of RM75.9 million for existing property development projects and investments to repayment of bank borrowings. This will be subject to shareholders' approval at the forthcoming Extraordinary General Meeting.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

19. Group Borrowings and Debt Securities

	As at 30.06.2019		
	Long Term Borrowings RM'000	Short Term Borrowings RM'000	Total RM'000
<u>Secured</u>			
Ringgit Malaysia	191,499	25,216	216,715
Pound Sterling (GBP 6.83 million at exchange rate GBP1:RM5.252)	35,891	-	35,891
<u>Unsecured</u>			
Ringgit Malaysia	-	96,290	96,290
US Dollar (USD17.55 million at exchange rate USD1:RM4.1875)	57,160	16,331	73,491
EURO (EUR 9.64 million at exchange rate EUR1:RM4.6905)	33,917	11,306	45,223
	318,467	149,143	467,610
	As at 31.03.2019		
	Long Term Borrowings RM'000	Short Term Borrowings RM'000	Total RM'000
<u>Secured</u>			
Ringgit Malaysia	197,838	25,175	223,013
Pound Sterling (GBP6.83 million at exchange rate GBP1:RM5.329)	36,417	-	36,417
<u>Unsecured</u>			
Ringgit Malaysia	-	82,280	82,280
US Dollar (USD 17.55 million at exchange rate USD1:RM4.0795)	55,685	15,910	71,595
EURO (EUR 9.64 million at exchange rate EUR1:RM4.5815)	33,129	11,043	44,172
	323,069	134,408	457,477

As at current year quarter, total borrowings of the Group have increased by RM10.1 million as compared with the previous financial year ended 31 March 2019 mainly due to drawdown of bank overdraft for working capital purposes.

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

	As at 30.06.2019	As at 31.03.2019
Ringgit Malaysia	5.53%	5.57%
Pound Sterling	3.98%	3.98%
US Dollar	6.83%	6.83%
EURO	3.15%	3.16%

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

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

20. Capital Commitments

	As at 30.06.2019 RM'000
Approved and contracted for:	
Investment in joint ventures	
- Hong Kong Dollar (HKD 8.2 million)	4,348
- Renminbi (RMB 21.1 million)	12,660
- Singapore Dollar (SGD 3.1 million)	9,489
	<u>26,497</u>

21. Changes in Contingent Liabilities and Contingent Assets

The total letter of credit and other bank guarantees have decreased from RM16,042,606 as at 31 March 2019 to RM10,865,606 as at 30 June 2019.

Other than disclosed above, there were no other changes in contingent liabilities or contingent assets since the last financial year ended 31 March 2019.

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

Where necessary in accordance with the its strategy, the Group enters into foreign currency forward contracts to hedge 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 2019 is as follows:

	Forward Notional Value RM'000	Fair Value (Liabilities)/ Assets RM'000
<u>Within 1 year</u>		
Forward contract of Yen 1.275 billion for purchase of USD	48,570	(3,667)
Forward contract of EUR 35.77 million for purchase of USD	168,920	(7,875)
Forward contract of MYR 56.63 million for purchase of EUR	56,529	2,642
Forward contract of RMB 86.53 million for purchase of USD	52,861	996
Forward contract of GBP 4.75 million for purchase of USD	25,007	226
	<u>351,887</u>	<u>(7,678)</u>

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

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 was recognised in the profit or loss to match the hedged foreign currency item.

(b) Other than the fair value changes of derivatives as disclosed in Note 22(a), 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL 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 30.06.2019 RM'000
Profit for the period attributable to ordinary equity holders of the parent	<u>2,461</u>
Weighted average number of ordinary shares in issue ('000)	<u>591,799</u>
Basic earnings per share (sen)	<u>0.42</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 30.06.2019 RM'000
Profit for the period attributable to ordinary equity holders of the parent	<u>2,461</u>
Weighted average number of ordinary shares in issue ('000)	591,799
Adjustments for RCPS A convertible to ordinary shares ('000)	122,622
Adjustments for RCPS B convertible to ordinary shares ('000)	<u>509,394</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>1,223,815</u>
Diluted earnings per share (sen)	<u>0.20</u>

There is no effect to net profit from the adjustments of share options granted and RCPS convertible to ordinary shares.

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 liabilities	<u>3,919</u>	<u>3,864</u>

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
Date: 19 August 2019