

QUARTERLY REPORT

Summary of Key Financial Information for the financial period ended 30 June 2021

| | Individual Quarter | | Cumulative Quarter | |
|--|---|---|---|---|
| | <u>30.06.2021</u> RM'000 | <u>30.06.2020</u> RM'000 | <u>30.06.2021</u> RM'000 | <u>30.06.2020</u> RM'000 |
| 1. Revenue | 26,170 | 20,868 | 26,170 | 20,868 |
| 2. (Loss)/Profit before taxation | (6,114) | 1,060 | (6,114) | 1,060 |
| 3. Loss for the period | (7,381) | (652) | (7,381) | (652) |
| 4. Loss attributable to ordinary equity holders of the parent | (7,338) | (867) | (7,338) | (867) |
| 5. Loss per share (sen) : | | | | |
| Basic | (0.74) | (0.12) | (0.74) | (0.12) |
| Diluted | (0.74)¹ | (0.12)¹ | (0.74)¹ | (0.12)¹ |
| 6. Proposed/Declared dividend per share (sen) | - | - | - | - |
| 7. Gross interest income | 298 | 854 | 298 | 854 |
| 8. Gross interest expense | (4,396) | (5,988) | (4,396) | (5,988) |
| | | 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) | | 1.10 | | 1.44 |

¹ Adjustment for Employee Share Scheme and RCPS B were not included in the calculation of year-to-date diluted loss per share as they are antidilutive. Diluted loss per share is, therefore, the same as basic loss per share.

AMCORP PROPERTIES BERHAD

(Registration No. 196501000597 (6386-K))

Incorporated in Malaysia

Unaudited Interim Financial Report
for 1st Quarter ended 30 June 2021**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

| | Individual Quarter | | Cumulative Quarter | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30.06.2021 RM'000 | 30.06.2020 RM'000 | 30.06.2021 RM'000 | 30.06.2020 RM'000 |
| Revenue | 26,170 | 20,868 | 26,170 | 20,868 |
| Cost of sales | (12,716) | (8,401) | (12,716) | (8,401) |
| Gross profit | 13,454 | 12,467 | 13,454 | 12,467 |
| Other operating income | 635 | 1,378 | 635 | 1,378 |
| Distribution expenses | (48) | (41) | (48) | (41) |
| Administrative expenses | (13,933) | (12,693) | (13,933) | (12,693) |
| Other operating expenses | (1,028) | (1,132) | (1,028) | (1,132) |
| Operating loss | (920) | (21) | (920) | (21) |
| Finance costs | (4,396) | (5,988) | (4,396) | (5,988) |
| Share of results of joint ventures | (601) | 7,480 | (601) | 7,480 |
| Share of results of associates | (197) | (411) | (197) | (411) |
| (Loss)/Profit before taxation | (6,114) | 1,060 | (6,114) | 1,060 |
| Taxation | (1,267) | (1,712) | (1,267) | (1,712) |
| Loss for the period | (7,381) | (652) | (7,381) | (652) |
| Other comprehensive income/(expense) that may be reclassified subsequently to profit or loss: | | | | |
| Foreign currency translations | 8,741 | (2,782) | 8,741 | (2,782) |
| Fair value changes in hedge reserve | (3,964) | (1,562) | (3,964) | (1,562) |
| Share of hedge reserve of joint ventures | (364) | (564) | (364) | (564) |
| | 4,413 | (4,908) | 4,413 | (4,908) |
| Total comprehensive loss | (2,968) | (5,560) | (2,968) | (5,560) |
| (Loss)/Profit attributable to : | | | | |
| Owners of the Parent | (7,338) | (867) | (7,338) | (867) |
| Non-controlling interests | (43) | 215 | (43) | 215 |
| | (7,381) | (652) | (7,381) | (652) |
| Total comprehensive (loss)/income attributable to : | | | | |
| Owners of the Parent | (2,925) | (5,775) | (2,925) | (5,775) |
| Non-controlling interests | (43) | 215 | (43) | 215 |
| | (2,968) | (5,560) | (2,968) | (5,560) |
| Loss per share (sen) : | | | | |
| Basic | (0.74) | (0.12) | (0.74) | (0.12) |
| Diluted | (0.74) | (0.12) | (0.74) | (0.12) |

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 2021.

AMCORP PROPERTIES BERHAD

(Registration No. 196501000597 (6386-K))
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 30.06.2021 RM'000 | Audited As at 31.03.2021 RM'000 |
|--|--|--|
| ASSETS | | |
| <u>Non-current Assets</u> | | |
| Property, plant and equipment | 236,022 | 239,681 |
| Investment properties | 87,135 | 87,210 |
| Investments in joint ventures | 1,035,155 | 1,014,774 |
| Investment in associates | 12,686 | 12,884 |
| Other investments | 63 | 63 |
| Inventories | 66,756 | 66,739 |
| Long term receivables | 9,031 | 8,775 |
| Deferred tax assets | 31,742 | 32,777 |
| | <u>1,478,590</u> | <u>1,462,903</u> |
| <u>Current Assets</u> | | |
| Inventories | 182,033 | 184,454 |
| Trade and other receivables | 45,624 | 48,942 |
| Derivative assets | 1,146 | 2,139 |
| Tax recoverable | 1,030 | 902 |
| Deposits, cash and bank balances | 129,927 | 134,406 |
| | <u>359,760</u> | <u>370,843</u> |
| TOTAL ASSETS | <u>1,838,350</u> | <u>1,833,746</u> |
| EQUITY AND LIABILITIES | | |
| <u>Equity</u> | | |
| Share Capital | | |
| - ordinary shares | 804,919 | 451,328 |
| - redeemable convertible preference shares | 6,310 | 356,544 |
| Treasury shares | (14,232) | (14,232) |
| Reserves | 549,804 | 591,347 |
| Equity attributable to owners of the Parent | <u>1,346,801</u> | <u>1,384,987</u> |
| Non-controlling interests | 24,377 | 24,420 |
| | <u>1,371,178</u> | <u>1,409,407</u> |
| <u>Non-current Liabilities</u> | | |
| Bank borrowings | 164,848 | 169,739 |
| Lease liabilities | 1,300 | 1,380 |
| Long term payables | 2,857 | 2,719 |
| Deferred tax liabilities | 109 | - |
| | <u>169,114</u> | <u>173,838</u> |
| <u>Current Liabilities</u> | | |
| Trade and other payables | 84,615 | 58,824 |
| Derivative liabilities | 13,534 | 9,749 |
| Bank borrowings | 198,348 | 180,092 |
| Lease liabilities | 926 | 936 |
| Current tax liabilities | 635 | 900 |
| | <u>298,058</u> | <u>250,501</u> |
| Total liabilities | <u>467,172</u> | <u>424,339</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,838,350</u> | <u>1,833,746</u> |
| Net assets per share (RM) | <u>1.10</u> | <u>1.44</u> |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2021.

AMCORP PROPERTIES BERHAD

(Registration No. 196501000597 (6386-K))
 Incorporated in Malaysia

Unaudited Interim Financial Report
 for 1st Quarter ended 30 June 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | ----- Non-distributable ----- | | | | | | Distributable | | | |
|---|-------------------------------|---|--------------------|----------------|------------------------------------|------------------|---------------------|------------------|------------------------------|------------------|
| | Ordinary Shares | Redeemable Convertible Preference Shares | Treasury Shares | ESS 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 |
| Balance as at 01.04.2020 | 451,326 | 356,546 | (14,232) | 6,932 | (37,930) | 4,446 | 611,449 | 1,378,537 | 24,755 | 1,403,292 |
| Total comprehensive income for the period | - | - | - | - | (2,782) | (2,126) | (867) | (5,775) | 215 | (5,560) |
| Ordinary shares dividend declared | - | - | - | - | - | - | (21,444) | (21,444) | - | (21,444) |
| Options lapsed | - | - | - | (141) | - | - | 141 | - | - | - |
| Balance as at 30.06.2020 | 451,326 | 356,546 | (14,232) | 6,791 | (40,712) | 2,320 | 589,279 | 1,351,318 | 24,970 | 1,376,288 |
| Balance as at 01.04.2021 | 451,328 | 356,544 | (14,232) | 7,089 | 8,605 | (13,480) | 589,133 | 1,384,987 | 24,420 | 1,409,407 |
| Total comprehensive income for the period | - | - | - | - | 8,741 | (4,328) | (7,338) | (2,925) | (43) | (2,968) |
| Ordinary shares declared | - | - | - | - | - | - | (38,618) | (38,618) | - | (38,618) |
| Ordinary shares issued pursuant to ESS | 3,357 | - | - | - | - | - | - | 3,357 | - | 3,357 |
| Conversion of RCPS B | 350,234 | (350,234) | - | - | - | - | - | - | - | - |
| Options exercised/lapsed | - | - | - | (1,819) | - | - | 1,819 | - | - | - |
| Balance as at 30.06.2021 | 804,919 | 6,310 | (14,232) | 5,270 | 17,346 | (17,808) | 544,996 | 1,346,801 | 24,377 | 1,371,178 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2021.

AMCORP PROPERTIES BERHAD

(Registration No. 196501000597 (6386-K))

Incorporated in Malaysia

**Unaudited Interim Financial Report
for 1st Quarter ended 30 June 2021****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

| | 3 months ended | |
|--|--------------------------|--------------------------|
| | <u>30.06.2021</u> | <u>30.06.2020</u> |
| | RM'000 | RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss)/Profit before taxation | (6,114) | 1,060 |
| Adjustments for: | | |
| Share of results of joint ventures and associates | 799 | (7,069) |
| Impairment losses on trade and other receivables | 128 | - |
| Depreciation of property, plant and equipment | 3,912 | 4,002 |
| Depreciation of investment properties | 516 | 516 |
| Net interest expense | 4,098 | 5,134 |
| Others | (59) | (132) |
| Operating profit before working capital changes | <u>3,280</u> | <u>3,511</u> |
| Decrease in inventories | 2,403 | 132 |
| Decrease in trade and other receivables | 2,413 | 1,474 |
| Increase/(Decrease) in trade and other payables | 454 | (3,509) |
| Net cash generated from operations | <u>8,550</u> | <u>1,608</u> |
| Net taxation paid | (521) | (3,149) |
| Net interest paid | <u>(2,346)</u> | <u>(4,316)</u> |
| Net cash from/(used in) operating activities | <u>5,683</u> | <u>(5,857)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (69) | (377) |
| Purchase of investment properties | (441) | - |
| Distributions/Dividends received from joint ventures | - | 18,279 |
| Mark-to-market gain received/(loss paid) for forward contracts | 287 | (1,484) |
| Net (contributions to)/capital return from joint ventures | <u>(13,080)</u> | <u>12,861</u> |
| Net cash (used in)/from investing activities | <u>(13,303)</u> | <u>29,279</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net proceeds from issuance of shares pursuant to ESS | 3,357 | - |
| Net drawdown/(repayments) of bank borrowings | 11,340 | (5,228) |
| Net repayments of lease liabilities | (275) | (361) |
| Interest paid on lease liabilities | (26) | (44) |
| Dividends paid | (14,262) | (14,262) |
| Net withdrawals of deposits pledged with licensed banks and debts service reserve accounts | <u>(15)</u> | <u>872</u> |
| Net cash from/(used in) financing activities | <u>119</u> | <u>(19,023)</u> |
| NET CHANGES IN CASH AND CASH EQUIVALENTS | (7,501) | 4,399 |
| Cash and cash equivalents at beginning of period | 126,200 | 308,269 |
| Effect of exchange rate on cash and cash equivalents | 982 | (1,037) |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>119,681</u> | <u>311,631</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD COMPRISED: | | |
| Deposits, cash and bank balances | 129,927 | 324,472 |
| Bank overdraft | <u>(2,025)</u> | <u>-</u> |
| | 127,902 | 324,472 |
| Less : Debt service reserve accounts | (5,265) | (7,802) |
| Less : Deposits pledged with licensed banks | <u>(2,956)</u> | <u>(5,039)</u> |
| | <u>119,681</u> | <u>311,631</u> |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2021.

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 2021.

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 2021, except for the adoption of the following new amendment to MFRSs that are effective for financial year ending 31 March 2022 as disclosed below:

Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16 – Interest Rate Benchmark Reform – Phase 2

Adoption of the above Amendment did not have any material effect to the Group.

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, the Company has issued a total of 507,845,213 ordinary shares by way of:

- (a) Conversion of 500,334,500 RCPS B to 500,334,500 new ordinary shares on the basis of one (1) RCPS B for every one (1) ordinary share; and
- (b) Issuance of 7,510,713 new ordinary shares for a cash consideration of RM3,356,910 pursuant to the exercise of options under the Employees' Share Scheme.

There were no repurchases and repayments of debt and equity securities during the financial year.

As at 30 June 2021, the number of ordinary shares in issue after deducting the treasury shares is 1,222,632,932 ordinary shares.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**8. Dividends**

| | 3 months Ended 30.06.2021 RM'000 | 3 months Ended 30.06.2020 RM'000 |
|---|---|---|
| Ordinary share dividend: | | |
| - 3 sen dividend per ordinary share, declared on 28 May 2021 and paid on 27 August 2021 | 38,618 | - |
| - 3 sen dividend per ordinary share, declared on 18 June 2020 and paid on 30 July 2020 | - | 21,444 |
| | <u>38,618</u> | <u>21,444</u> |

No dividend has been recommended by the Directors or paid for the financial period ended 30 June 2021.

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, except as disclosed in Note 18.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial period ended 30 June 2021.

11. Review of PerformanceCurrent quarter and Year-to-date

| | Current Year Quarter 30.06.2021 RM'000 | Preceding Year Corresponding Quarter 30.06.2020 RM'000 | Changes | |
|---|---|---|----------------|----------|
| | | | RM'000 | % |
| Revenue | 26,170 | 20,868 | 5,302 | 25 |
| (Loss)/Profit before interest and tax | (1,718) | 7,048 | (8,766) | (>100) |
| (Loss)/Profit before tax | (6,114) | 1,060 | (7,174) | (>100) |
| Loss after tax | (7,381) | (652) | (6,729) | (>100) |
| Loss attributable to owners of the parent | <u>(7,338)</u> | <u>(867)</u> | (6,471) | (>100) |

The Group recorded revenue of RM26.2 million for current quarter with Malaysia Properties and Renewable Energy & Contracting divisions contributing RM8.0 million and RM18.2 million respectively.

Revenue from Malaysia Properties was mainly derived from property development projects in Sibujaya of RM6.0 million coupled with rental income from investment properties of RM2.0 million. Meanwhile, Renewable Energy & Contracting divisions contributed RM11.0 million and RM7.2 million respectively.

Loss after tax for current quarter is higher than preceding year corresponding quarter by RM6.7 million mainly due to lower contribution from Overseas Properties division, whereby preceding year corresponding quarter included sale of 1 unit penthouse in Burlington Gate, coupled with expenses incurred mainly for the selective capital reduction and repayment exercise.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
12. Material Change in Results for Current Quarter Compared with Immediate Preceding Quarter

| | Current Quarter 30.06.2021 RM'000 | Immediate Preceding Quarter 31.03.2021 RM'000 | Changes | |
|--|--|--|----------------|----------|
| | | | RM'000 | % |
| Revenue | 26,170 | 38,078 | (11,908) | (31) |
| (Loss)/Profit before interest and tax | (1,718) | 18,285 | (20,003) | (>100) |
| (Loss)/Profit before tax | (6,114) | 13,773 | (19,887) | (>100) |
| (Loss)/Profit after tax | (7,381) | 11,070 | (18,451) | (>100) |
| (Loss)/Profit attributable to owners of the parent | <u>(7,338)</u> | <u>10,534</u> | (17,872) | (>100) |

The Group's revenue in the current quarter was lower by RM11.9 million as compared to immediate preceding quarter. Lower contributions mainly from Malaysia Properties and Contracting divisions due to lockdown in the month of June affecting the site works as well as lower development properties sold.

Profit after tax of the immediate preceding quarter mainly comprised of sales of Court Annex Roppongi in Japan and last penthouse in Burlington Gate.

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 | 8,144 | - | 18,215 | 26,359 |
| Inter-segment revenue | (189) | - | - | (189) |
| External revenue | <u>7,955</u> | <u>-</u> | <u>18,215</u> | <u>26,170</u> |
| Segment results | | | | |
| Head office allocated expenses | (1,549) | 17 | 5,376 | 3,844 |
| Interest income | (1,114) | (3,543) | (405) | (5,062) |
| Operating (loss)/profit | 84 | 192 | 81 | 357 |
| Finance costs | (2,579) | (3,334) | 5,052 | (861) |
| Share of results of joint ventures | (1,457) | (1,614) | (1,384) | (4,455) |
| Share of results of associates | - | (601) | - | (601) |
| | (197) | - | - | (197) |
| (Loss)/Profit before taxation | <u>(4,233)</u> | <u>(5,549)</u> | <u>3,668</u> | <u>(6,114)</u> |
| Taxation | (6) | (82) | (1,179) | (1,267) |
| (Loss)/Profit for the period | <u>(4,239)</u> | <u>(5,631)</u> | <u>2,489</u> | <u>(7,381)</u> |
| Segment assets | | | | |
| | 409,157 | 1,120,327 | 308,866 | 1,838,350 |
| Segment liabilities | | | | |
| | <u>196,444</u> | <u>96,802</u> | <u>173,926</u> | <u>467,172</u> |

The Group's loss was mainly from Overseas Properties and Malaysia Properties & Others divisions, offset with profit contribution from Renewable Energy & Contracting division.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**14. Operating Loss from Operations**

| | 3 months Ended 30.06.2021 RM'000 |
|--|---|
| Operating loss is arrived after crediting/(charging): | |
| Interest income | 298 |
| Net foreign exchange gain | 59 |
| Impairment losses on trade and other receivables | (128) |
| Depreciation of: | |
| - Property, plant and equipment | (3,912) |
| - Investment properties | (516) |
| Expenses related to the selective capital reduction and repayment exercise | <u>(985)</u> |

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

15. Current Year Prospects

The Board expects this financial year to remain challenging. Although the global economy is expected to slowly recover from the impact of COVID-19 pandemic with the reopening of economic sectors following the increase in vaccination rates, the Group is not expecting any major disposals or project launches in the current financial year. Nevertheless, the Group will continue to be vigilant in its operating cash control and focus on completing and selling its development properties. The Renewable Energy segment comprising Solar and Hydro Concessions totaling 36MW will continue to contribute positive recurring earnings to the Group's results.

16. Profit Forecast

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

17. Taxation

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

| | 3 months Ended 30.06.2021 RM'000 |
|--------------------|---|
| Income tax expense | 123 |
| Deferred tax | <u>1,144</u> |
| | <u>1,267</u> |

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

18. Status of Corporate Proposals

- (i) On 7 May 2021, the Board announced that the Company had on even date received a letter from its major shareholders, namely Amcorp Group Berhad ("AMCORP"), Clear Goal Sdn. Bhd. ("CGSB") and Tan Sri Azman Hashim ("TSAH") as well as AMPROP Trust, a trust of which TSAH is a beneficiary (collectively, the "Non-Entitled Shareholders"), informing the Board of their intention to privatise the Company and requesting the Company to undertake a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act 2016 ("SCR").

The SCR entails a selective capital reduction and a corresponding capital repayment of a cash amount of RM0.90 per ordinary share in the Company held by all the shareholders of the Company (other than the Non-Entitled Shareholders), whose names appear in the Record of Depositors of AMPROP as at the close of business on an entitlement date to be determined and announced later by the Board (save for the interested directors).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**18. Status of Corporate Proposals (continued)**

The Board, save for the interested directors, had at a meeting held on 28 May 2021, deliberated on the content of the SCR Offer Letter and had resolved to table the SCR based on the terms of the SCR Offer Letter to all the shareholders of AMPROP (other than the Non-Entitled Shareholders and persons acting in concert with them) for their consideration and approval.

On 5 August 2021, the special resolution in respect of the SCR was duly approved by shareholders of the Company (other than the Non-Entitled Shareholders and persons acting in concert with them) at the Extraordinary General Meeting.

Subsequently, on 19 August 2021 ("Termination Date"), the Company terminated its employees' share scheme ("ESS"). A total of 49,354 granted options remained unexercised as at the Termination Date, all of which shall be deemed to have been cancelled and be null and void upon termination of the ESS.

On 20 August 2021, the Company filed a petition to the High Court to obtain an order by the High Court confirming the reduction of the share capital of the Company under Section 116 of the Companies Act 2016 to give effect to the SCR.

The Board expects the SCR to be completed by third quarter of the current financial year.

- (ii) On 11 May 2021, AMCORP and TSAH converted all 500,160,000 Class B redeemable convertible preference shares ("RCPS B") held by them into 500,160,000 ordinary share on the basis of one (1) ordinary share to every one (1) RCPS B.

On 12 July 2021, the Company completed its mandatory conversion of all the remaining outstanding 9,014,016 RCPS B into new fully-paid ordinary shares on the basis of one (1) ordinary share to every one (1) RCPS B held.

The number of ordinary shares in issue as at the date of this report after taking into the new shares issued and deducting the treasury shares is 1,287,267,147 ordinary shares.

19. Group Borrowings and Debt Securities

| | As at 30.06.2021 | | |
|--|--|---|-------------------------|
| | Long Term Borrowings RM'000 | Short Term Borrowings RM'000 | Total RM'000 |
| <u>Secured</u> | | | |
| Ringgit Malaysia | 141,721 | 43,822 | 185,543 |
| <u>Unsecured</u> | | | |
| Ringgit Malaysia | - | 99,025 | 99,025 |
| US Dollar (USD7.8 million at exchange rate USD1:RM4.1505) | - | 32,374 | 32,374 |
| Euro (EUR9.36 million at exchange rate EUR1:RM4.9410) | 23,127 | 23,127 | 46,254 |
| | <u>164,848</u> | <u>198,348</u> | <u>363,196</u> |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

19. Group Borrowings and Debt Securities (continued)

| | As at 31.03.2021 | | |
|--|--|---|-------------------------|
| | Long Term Borrowings RM'000 | Short Term Borrowings RM'000 | Total RM'000 |
| <u>Secured</u> | | | |
| Ringgit Malaysia | 146,960 | 44,939 | 191,899 |
| <u>Unsecured</u> | | | |
| Ringgit Malaysia | - | 80,000 | 80,000 |
| US Dollar (USD7.8 million at exchange rate USD1:RM4.1505) | - | 32,374 | 32,374 |
| Euro (EUR9.36 million at exchange rate EUR1:RM4.8665) | 22,779 | 22,779 | 45,558 |
| | <u>169,739</u> | <u>180,092</u> | <u>349,831</u> |

As at current quarter, total borrowings of the Group is higher by RM13.4 million as compared with the previous financial year ended 31 March 2021 mainly due to net drawdown of head office borrowings.

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

| | As at 30.06.2021 | As at 31.03.2021 |
|------------------|-----------------------------|-----------------------------|
| Ringgit Malaysia | 3.86% | 3.87% |
| US Dollar | 4.04% | 4.04% |
| Euro | <u>3.71%</u> | <u>3.62%</u> |

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

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

20. Capital Commitments

| | As at 30.06.2021 RM'000 |
|--|--|
| Approved and contracted for: Investment in joint ventures | <u>39,020</u> |

21. Changes in Contingent Liabilities and Contingent Assets

The total letter of credit and other bank guarantees have decreased from RM4,635,027 as at 31 March 2021 to RM4,590,527 as at 30 June 2021.

There is no change in the share of a joint venture's contingent liability in relation to inquiry from HM Revenue and Customs on the interpretation of certain tax treatment of the joint venture of GBP1,325,000 (RM7,620,000) as at 30 June 2021.

Other than disclosed above, there were no other changes in contingent liabilities or contingent assets since the last financial year ended 31 March 2021.

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

Where necessary in accordance with the 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.

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) Derivative foreign exchange contract that was outstanding as at 30 June 2021 is as follows:

| | Forward Notional Value RM'000 | Fair Value Liabilities/ (Assets) RM'000 |
|---|--|--|
| <u>Within 1 year</u> | | |
| Forward contract of Yen 310.0 million for purchase of USD | 11,818 | 855 |
| Forward contract of EUR 20.3 million for purchase of USD | 101,326 | 5,760 |
| Forward contract of RMB 138.1 million for purchase of USD | 79,300 | 6,919 |
| Forward contract of RMB 99.3 million for purchase of USD | 63,088 | (1,146) |
| | <u>255,532</u> | <u>12,388</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 or recognise in hedge reserve.

(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.

24. Loss Per ShareBasic/Diluted

Basic/Diluted loss 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 30.06.2021 |
|---|--|
| Loss for the period attributable to ordinary holders of the parent (RM'000) | <u>(7,338)</u> |
| Weighted average number of ordinary shares in issue ('000) | <u>996,916</u> |
| Basic/Diluted loss per share (sen) | <u>(0.74)</u> |

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

Adjustment for Employee Share Scheme and RCPS B were not included in the calculation of year-to-date diluted loss per share as they are antidilutive. Diluted loss per share is, therefore, the same as basic loss per share.

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

Company Secretary

Date: 14 September 2021