

QUARTERLY REPORT FOR THE FIRST QUARTER 2017**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	As at 31.3.2017 RM'000	As at 31.12.2016 RM'000
Assets:		
Non-current		
Property, plant and equipment	775,713	778,257
Investment properties	652,665	649,780
Investments in associated companies and a joint venture	2,951,811	2,896,737
Intangible assets	2,053	2,156
Inventories	1,346,607	1,161,723
Deferred tax assets	86,900	100,883
Available-for-sale securities	789	954
Capital financing	28,708	35,250
Trade receivables	36,064	39,969
Other assets	3,710	4,102
	5,885,020	5,669,811
Current		
Inventories	533,419	551,603
Capital financing	326,511	316,063
Trade receivables	335,623	286,659
Contract assets	187,573	276,919
Other assets	77,208	115,120
Biological assets	146	145
Tax recoverable	52,866	47,308
Derivative asset	34,099	35,871
Securities at fair value through profit or loss	246	199
Cash, bank balances and short term funds	480,073	418,452
	2,027,764	2,048,339
Non-current assets held for sale	-	8,000
	2,027,764	2,056,339
Total Assets	7,912,784	7,726,150

QUARTERLY REPORT FOR THE FIRST QUARTER 2017**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017 (CONT'D)**

	Note	As at 31.3.2017 RM'000	As at 31.12.2016 RM'000
Liabilities:			
Non-current			
Medium term notes	B8	837,751	837,604
Borrowings	B8	723,565	773,027
Deferred income		149,727	159,099
Trade payables		33,161	34,915
Other liabilities		6,085	6,085
Deferred tax liabilities		142,712	156,916
		1,893,001	1,967,646
Current			
Borrowings	B8	836,987	620,263
Deferred income		5,365	5,057
Trade payables		239,125	167,943
Contract liabilities		87,852	99,881
Tax payable		5,260	6,854
Other liabilities		328,820	415,616
		1,503,409	1,315,614
Total Liabilities		3,396,410	3,283,260
Net Assets		4,516,374	4,442,890
Equity:			
Share capital		1,739,372	1,402,891
Treasury shares, at cost	A5(a)	(30,237)	(30,237)
		1,709,135	1,372,654
Reserves		2,666,665	2,927,856
Issued capital and reserves attributable to Owners of the Company		4,375,800	4,300,510
Non-controlling interests		140,574	142,380
Total Equity		4,516,374	4,442,890
Net Assets per share attributable to Owners of the Company (RM)		3.16	3.11

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2016)

QUARTERLY REPORT FOR THE FIRST QUARTER 2017
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 MARCH 2017**

	Note	Current quarter ended 31.3.2017 RM'000	Comparative quarter ended 31.3.2016 RM'000	Current year to date ended 31.3.2017 RM'000	Preceding year to date ended 31.3.2016 RM'000
Revenue		302,544	348,287	302,544	348,287
Cost of sales		(222,361)	(239,945)	(222,361)	(239,945)
Gross profit		80,183	108,342	80,183	108,342
Other income		6,110	4,630	6,110	4,630
Administrative expenses		(45,253)	(57,603)	(45,253)	(57,603)
Other expenses		(2,308)	(2,011)	(2,308)	(2,011)
		38,732	53,358	38,732	53,358
Finance costs		(17,957)	(18,225)	(17,957)	(18,225)
		20,775	35,133	20,775	35,133
Share of results of associated companies and a joint venture		46,052	50,207	46,052	50,207
Profit before tax		66,827	85,340	66,827	85,340
Tax expense		(12,574)	(13,269)	(12,574)	(13,269)
Profit after tax		54,253	72,071	54,253	72,071
Profit attributable to:					
Owners of the Company		54,268	69,620	54,268	69,620
Non-controlling interests		(15)	2,451	(15)	2,451
		54,253	72,071	54,253	72,071
Earnings per share attributable to Owners of the Company (sen)					
Basic	B11 (a)	3.92	5.03	3.92	5.03
Diluted	B11 (b)	3.92	5.03	3.92	5.03

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2016)

QUARTERLY REPORT FOR THE FIRST QUARTER 2017
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2017**

	Current quarter ended 31.3.2017 RM'000	Comparative quarter ended 31.3.2016 RM'000	Current year to date ended 31.3.2017 RM'000	Preceding year to date ended 31.3.2016 RM'000
Profit after tax	54,253	72,071	54,253	72,071
Other Comprehensive Income/(Loss) for the period, net of tax				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation	14,212	(12,393)	14,212	(12,393)
Fair value gain/(loss) on:				
- Cash flow hedge	17	(86)	17	(86)
- Available-for-sale securities	-	72	-	72
Share of other comprehensive income/(loss) and reserves of associated companies:				
- Foreign exchange reserves	2,626	(32,074)	2,626	(32,074)
- Other reserves	5,790	12,774	5,790	12,774
Total Other Comprehensive Income/(Loss) for the period, net of tax	22,645	(31,707)	22,645	(31,707)
Total Comprehensive Income	76,898	40,364	76,898	40,364
Total Comprehensive Income attributable to:				
Owners of the Company	73,486	41,228	73,486	41,228
Non-controlling interests	3,412	(864)	3,412	(864)
	76,898	40,364	76,898	40,364

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2016)

QUARTERLY REPORT FOR THE FIRST QUARTER 2017
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017**

	Attributable to Owners of the Company									Non- controlling interests	Total equity	
	Share capital	Treasury shares [Note A5(a)]	Share premium	Available- for-sale reserve	Revalua- -tion reserve	Foreign exchange reserves	Hedging reserve	Other reserves	Retained profits			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			RM'000
As at 1.1.2017	1,402,891	(30,237)	336,481	64	76,321	125,095	253	(15,752)	2,405,394	4,300,510	142,380	4,442,890
Profit/(Loss) after tax	-	-	-	-	-	-	-	-	54,268	54,268	(15)	54,253
Other comprehensive income	-	-	-	-	-	13,411	17	5,790	-	19,218	3,427	22,645
Total Comprehensive Income	-	-	-	-	-	13,411	17	5,790	54,268	73,486	3,412	76,898
Acquisitions of additional interests in a subsidiary company from non-controlling interests:												
- Accretion of equity interests	-	-	-	-	-	-	-	-	-	-	(5,218)	(5,218)
- Gain on acquisitions	-	-	-	-	-	-	-	-	1,984	1,984	-	1,984
Effects of acquisitions of warrants in a subsidiary company	-	-	-	-	-	-	-	-	(749)	(749)	-	(749)
Share premium become part of share capital*	336,481	-	(336,481)	-	-	-	-	-	-	-	-	-
Accretion of interests in a subsidiary company of an associated company	-	-	-	-	-	-	-	-	1	1	-	1
Total transactions with Owners and changes in ownership interests	336,481	-	(336,481)	-	-	-	-	-	1,236	1,236	(5,218)	(3,982)
Reversal of reserve upon disposal of investment properties	-	-	-	-	(10,798)	-	-	-	11,366	568	-	568
As at 31.3.2017	1,739,372	(30,237)	-	64	65,523	138,506	270	(9,962)	2,472,264	4,375,800	140,574	4,516,374

* Upon the commencement of the Companies Act 2016 ("CA2016") on 31 January 2017, the amount standing to the credit of the Company's share premium becomes part of the Company's share capital pursuant to Section 618(2) of the CA2016. The Group may use the credit amount of the share premium within twenty-four months upon the commencement of section 74 of the CA2016. (Note A1)

QUARTERLY REPORT FOR THE FIRST QUARTER 2017
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017 (CONT'D)**

	Attributable to Owners of the Company									Non- controlling interests	Total equity	
	Share capital	Treasury shares [Note A5(a)]	Share premium	Available- for-sale reserve	Revalua- -tion reserve	Foreign exchange reserves	Hedging reserve	Other reserves	Retained profits			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			RM'000
As at 1.1.2016	1,402,891	(30,234)	336,481	-	76,321	96,133	824	(10,455)	2,222,071	4,094,032	213,662	4,307,694
Profit after tax	-	-	-	-	-	-	-	-	69,620	69,620	2,451	72,071
Other comprehensive income/(loss)	-	-	-	65	-	(41,154)	(77)	12,774	-	(28,392)	(3,315)	(31,707)
Total Comprehensive Income/(Loss)	-	-	-	65	-	(41,154)	(77)	12,774	69,620	41,228	(864)	40,364
Exercise of warrants in subsidiary companies:												
- Shares issued by subsidiary companies	-	-	-	-	-	-	-	-	-	-	410	410
- Effects of dilution of interest in subsidiary companies	-	-	-	-	-	-	-	-	(508)	(508)	508	-
Effects of acquisitions of warrants in a subsidiary company	-	-	-	-	-	-	-	-	(126)	(126)	-	(126)
Dilution of interests in a subsidiary company of an associated company	-	-	-	-	-	-	-	-	(17)	(17)	-	(17)
Total transactions with Owners and changes in ownership interests	-	-	-	-	-	-	-	-	(651)	(651)	918	267
As at 31.3.2016	1,402,891	(30,234)	336,481	65	76,321	54,979	747	2,319	2,291,040	4,134,609	213,716	4,348,325

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2016)

QUARTERLY REPORT FOR THE FIRST QUARTER 2017
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2017**

	Note	Current year to date ended 31.3.2017 RM'000	Preceding year to date ended 31.3.2016 RM'000
Cash Flows From Operating Activities			
Profit before tax		66,827	85,340
Adjustments for:			
Non-cash and non-operating items		18,178	18,740
Share of results of associated companies and a joint venture		(46,052)	(50,207)
Operating profit before working capital changes		<u>38,953</u>	53,873
<i>Decrease/(Increase) in operating assets:</i>			
Inventories		(138,341)	(8,732)
Capital financing		(3,879)	11,229
Trade receivables		(44,025)	73,305
Contract assets		89,346	9,191
Other receivables		37,579	28,058
<i>Increase/(Decrease) in operating liabilities:</i>			
Deferred income		(9,064)	(4,998)
Trade payables		69,305	(88,195)
Contract liabilities		(12,029)	8,961
Other liabilities		(88,621)	(60,226)
Cash (used in)/generated from operations		<u>(60,776)</u>	22,466
Interest received		10,291	10,992
Interest paid		(8,012)	(10,000)
Income tax paid		(19,427)	(22,543)
Refund of income tax		135	500
Net cash (used in)/generated from operating activities		<u>(77,789)</u>	1,415
Cash Flows From Investing Activities			
Acquisition of additional:			
- shares in a subsidiary company from non-controlling interests	A8 (a)	(3,234)	-
- warrants in subsidiary companies	A8 (a)	(749)	(126)
Advance to an associated company		(605)	(610)
Dividends received		58	-
Expenditure incurred on investment properties		(2,885)	(18,273)
Fund distribution income received		1,035	128
Proceeds from disposals of:			
- investment properties		8,299	1,153
- club membership		4	-
- plant and equipment		49	165
- available-for-sale securities		165	-
Purchase of:			
- software licenses		(3)	(21)
- property, plant and equipment		(5,736)	(4,728)
Net cash used in investing activities		<u>(3,602)</u>	(22,312)

QUARTERLY REPORT FOR THE FIRST QUARTER 2017**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2017 (CONT'D)**

	Current year to date ended 31.3.2017 RM'000	Preceding year to date ended 31.3.2016 RM'000
Cash Flows From Financing Activities		
Drawdown of loans	172,509	82,228
Drawdown/(repayment) of revolving credits - net	10,327	(34,541)
Interest paid	(17,957)	(19,702)
Proceed from exercise of warrants of subsidiary companies	-	410
Repayment of loans	(23,604)	(72,359)
Net cash generated from/(used in) financing activities	141,275	(43,964)
Net increase/(decrease) in Cash and Cash Equivalents	59,884	(64,861)
Effects of exchange rate changes	892	(561)
Cash and Cash Equivalents at beginning of period	418,396	451,582
Cash and Cash Equivalents at end of period	479,172	386,160
Cash and Cash Equivalents comprised:		
Cash, bank balances and short term funds	480,073	387,090
Bank overdrafts	(901)	(930)
	479,172	386,160

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2016)

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017

The unaudited interim financial report ("the quarterly report") have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K - Periodic Disclosures of the Listing Requirements of Bursa Malaysia Securities Berhad

PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134: Interim Financial Reporting ("MFRS 134") issued by the MASB

A1. Basis of preparation

This quarterly report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2016 and the accompanying explanatory notes, which provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2016.

The significant accounting policies and methods of computation applied in preparing the unaudited interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2016.

For the current year to date, the Group adopted the following amendments and improvements to published standards and interpretations that are applicable and effective for the Group's financial year beginning on 1 January 2017:

- (a) Amendment to MFRS 107 'Statement of Cash Flows' requires an entity provide additional disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. It requires the disclosure of a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.
- (b) Amendments to MFRS 112 'Income Taxes' clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments also clarify that the deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions arising from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits.
- (c) Annual Improvements to MFRS Standards 2014-2016 Cycle cover minor amendments to MFRS 12 'Disclosure of Interests in Other Entities'. The amendment of MFRS 12 aim to clarifies the disclosures requirement of MFRS 12 are applicable to interest in entities classified as held for sale.

The adoption of these amendments and improvements to published standards and interpretations does not have material impact to the Group.

For the current year to date, the Group also adopted the Companies Act 2016 ("CA2016") which took effect from 31 January 2017 except Section 241 and Division 8 of Part III of the CA2016. CA2016 was enacted to replace the Companies Act 1965.

A1. Basis of preparation (Cont'd)

The Companies Commission of Malaysia has clarified that CA2016 should be complied with for the preparation of financial statements, directors' report and auditors' report thereon commencing from the financial year/period ended 31 January 2017. The main changes in CA2016 that will affect the financial statements of the Group and the Company upon the commencement of CA2016 on 31 January 2017 are:

- (i) removal of the authorised share capital;
- (ii) shares of the Company will cease to have par or nominal value; and
- (iii) the Company's share premium will become part of the Company's share capital.

The adoption of the CA2016 does not have any financial impact to the Group as any accounting implications will only be applied prospectively. The effect of adoption mainly will be on disclosures of the financial statements.

Upon adoption of the CA2016, the Group's share premium of RM336.5 million becomes part of share capital pursuant to Section 618(2) of the CA2016. The Group may use the credit amount of the share premium within twenty-four months upon commencement of section 74 of the CA2016. The Board of Directors may make a decision thereon by 31 January 2019.

The following are standards, amendments to published standards and interpretations to existing MFRSs issued by the MASB that are applicable to the Group but not yet effective for current financial year:

(a) For financial year beginning on/after 1 January 2018

- (i) MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 'Financial Instruments: Recognition and Measurement'.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The financial effects of adoption of MFRS 9 are being assessed by the Group due to the complexity and significant changes in its requirements.

A1. Basis of preparation (Cont'd)

The following are standards, amendments to published standards and interpretations to existing MFRSs issued by the MASB that are applicable to the Group but not yet effective for current financial year: (Cont'd)

(a) For financial year beginning on/after 1 January 2018 (Cont'd)

- (ii) Amendment to MFRS 2 'Share-based Payment' clarifies that the classification and measurement of share-based payment transactions. The amendment introduces specific guidance on how to account for the following situations:
 - a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
 - b) share-based payment transactions with a net settlement feature for withholding tax obligations; and
 - c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.
- (iii) Annual Improvements to MFRS Standards 2014-2016 Cycle cover minor amendments to MFRS 1 'First-time Adoption of Malaysian Financial Reporting Standards' and MFRS 128 'Investments in Associates and Joint Ventures'.

MFRS 1 has been amended to remove short-term exemptions covering transition provision of MFRS 7 'Financial Instruments: Disclosures', MFRS 119 'Employee Benefits' and MFRS 10 'Consolidated Financial Statements'. These transition provisions were available to entities for the passed reporting periods and are therefore no longer applicable.

MFRS 128 has been amended to clarify a venture capital organisations, mutual funds, unit trusts and similar entities may elect to measure their investments in associates or joint ventures at fair value or using the equity method. An entity shall make this election separately for each associate or joint venture, at initial recognition.

- (iv) Amendments to MFRS 140 'Investment Property' clarify an entity shall transfer a property to, or from, investment property when there is change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. An entity must, therefore, have taken observable actions to support such a change.
- (v) IC Interpretation 22 Foreign Currency Transactions and Advance Consideration.

The IC Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income and on the derecognition of a non-monetary asset or nonmonetary liability arising from the payment or receipt of advance consideration in a foreign currency.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017**A1. Basis of preparation (Cont'd)**

The following are standards, amendments to published standards and interpretations to existing MFRSs issued by the MASB that are applicable to the Group but not yet effective for current financial year: (Cont'd)

(b) For financial year beginning on/after 1 January 2019

MFRS 16 'Leases' will replace the existing standard on Leases, MFRS 117.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. MFRS 16 requires lessees to recognise assets and liabilities for all leases with a term of more than 12 months and for which the underlying asset is not of low value. For lessors, MFRS16 requires enhanced disclosure on the information about lessors' risk exposure, particularly to residual value risk.

A2. Seasonality or cyclicity of interim operations

Other than the Hotels and Resorts division which is affected by holiday seasons, the other business operations of the Group for the current year to date were not materially affected by any seasonal or cyclical factors.

A3. Unusual items affecting assets, liabilities, equity, net income and cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group because of their nature, size or incidence.

A4. Changes in estimates of amounts reported previously

There were no significant changes in estimates of amounts reported in prior interim periods or prior financial years that have a material effect in the current financial period.

A5. Issues, repurchases and repayments of debts and equity securities**(a) Share buybacks / Treasury shares of the Company**

There were no issuances, repurchases and repayments of debt and equity securities of the Company for the current year to date. The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 127 of the Companies Act 2016. Summary of share buybacks is as follows:

	Number of shares	Highest price RM	Lowest price RM	Average cost (included transaction costs) RM	Total amount paid RM
As at 1.1.2017 / 31.3.2017	18,100,253	2.82	0.90	1.67	30,237,575

A5. Issues, repurchases and repayments of debts and equity securities (Cont'd)

(b) Warrants C 2015/2020

On 23 July 2015, the Company issued 237,732,751 Warrants C 2015/2020 pursuant to the Bonus Issue of Warrants, which were listed on the Main Market of Bursa Securities. Each Warrant C 2015/2020 entitles the holder to subscribe for 1 new ordinary share of RM1.00 each in the Company at a exercise price of RM1.80 per share by cash.

As at 31 March 2017, the total number of Warrants C 2015/2020 which remained unexercised is 237,732,671 (31 December 2016: 237,732,671).

(c) Medium Term Note Programme for the issuance of medium term notes of up to RM990.00 million in nominal value ("MTN Programme")

On 15 October 2015, the Company lodged with the Securities Commission Malaysia ("SC") all the required information and relevant documents relating to the MTN Programme pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. The MTN Programme will give the Company the flexibility to raise funds via the issuance of MTNs of up to RM990.00 million in nominal value, which can be utilised to refinance its existing borrowings and to fund its working capital requirements. The MTN Programme is unrated and has a tenure of fifteen (15) years from the date of its first issuance.

On 30 October 2015, the Company issued MTNs of RM750.00 million to refinance its bridging borrowings. The MTNs were issued in 12 tranches with maturities commencing from 2017 to 2022. The MTNs are redeemable every 6 months commencing 18 months after the first issuance date.

On 17 November 2016 and 1 December 2016, the Company further issued MTNs of RM100.00 million and RM90.11 million for working capital purposes respectively. The MTNs were issued in 10 tranches with maturities commencing from 2018 to 2022. Such MTNs are redeemable every 6 months commencing 30 months after the first issuance date.

The terms of the MTN Programme remained unchanged other than the withdrawals of the unutilised balance sum of RM9.9 million, in respect of the first issuance, from the Disbursement Account for working capital purposes. Arising from this, the Company received a total sum of RM200.0 million for its working capital purpose.

On 30 November 2016, the Company redeemed RM100 million from the MTN issued on 30 October 2015 by using internal generated fund.

A5. Issues, repurchases and repayments of debts and equity securities (Cont'd)

(c) Medium Term Note Programme for the issuance of medium term notes of up to RM990.00 million in nominal value ("MTN Programme") (Cont'd)

The terms of the MTN Programme contain various covenants, including the following:

- (i) The Company shall maintain a gearing ratio of not exceeding 1.50 times throughout the tenure of the MTN Programme.
- (ii) The Company shall maintain a security cover ratio of not less than 1.50 times throughout the tenure of the MTN Programme.
- (iii) The Company shall maintain a Debt Service Reserve Account ("DSRA") of a minimum amount equivalent to one interest payment. As at 31 March 2017, the DSRA balance was RM3.7 million (2016: RM3.7 million).

The amount can be utilised for the payment of interest of MTNs in the event of a default in interest payment obligations. Any utilised funds shall be replenished within 14 days from the date of withdrawal/shortfall.

The MTN Programme are secured by the following:

- (i) First party legal charge by way of Memorandum of Deposit with Power of Attorney over shares and warrants in certain subsidiary companies; and
- (ii) First party assignment and charge over the Company's right (including right to sue), title, interest and benefit in and under the DSRA and Disbursement Account and all monies standing to the credit thereto.

As at 31 March 2017, the total outstanding MTN is RM840.0 million.

Apart from the above, there were no issuances, repurchases and repayments of debt and equity securities of the Company for the current year to date.

A6. Dividends paid

There were no dividend paid during the current year to date.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017**A7. Segmental information**

The Group's businesses are organised into five major segments based on products and services, which are regularly provided to and reviewed by the chief operating decision makers comprising of the Board of Directors and senior management of the Group:

(a) Property

- (i) Property Development - Property development of residential and commercial properties for sale as well as provision of project management services.
- (ii) Property Investment and Management - Management and letting of properties, contributing rental yield and appreciation of properties.

(b) Construction

- Building construction works.

(c) Industries

- (i) Cables - Manufacturing and trading of power cables and wires.
- (ii) Industrialised Building System ("IBS") - Manufacturing and sale of IBS concrete wall panels and trading of building materials.

(d) Hospitality

- (i) Hotels and Resorts - Management of hotels, resorts including golf course operations.
- (ii) Vacation Club - Management of vacation timeshare membership scheme.

(e) Financial Services and Investment Holding

- (i) Capital Financing - Capital financing activities, generating interest, fee and related income.
- (ii) Investment Holding - Investing activities and other insignificant business segment, where investments contribute dividend income and interest income as well as sharing of results of the investee companies.

Business segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The inter-segment transactions have been entered into, at arms-length, at terms mutually agreed between the segments and have been eliminated to arrive at the Group's results.

Basis of segmentation and related measurement of segment revenue and results have no material change, other than certain comparative figures have been reclassified to conform with current year's presentation. Such reclassifications merely improve disclosure and do not have financial impact to the Group.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017
A7. Segmental information (Cont'd)
(a) Business segment analysis

The following table provides an analysis of the Group's revenue and results by business segments:

(RM'000)	Property	Construction	Industries	Hospitality	Financial Services & Investment Holding	Consolidated
Current year to date ended 31.3.2017						
Revenue						
Total revenue	196,137	57,551	66,494	27,693	74,382	422,257
Inter-segment revenue	(3,672)	(52,130)	(555)	(93)	(8,163)	(64,613)
Dividends from subsidiary companies	-	-	-	-	(55,100)	(55,100)
Revenue from external parties	192,465	5,421	65,939	27,600	11,119	302,544
Results						
Segment profit/(loss)	23,923	2,078	6,095	(714)	(8,449)	22,933
Share of results of associated companies and a joint venture	-	-	-	-	46,052	46,052
	23,923	2,078	6,095	(714)	37,603	68,985
Inter-segments elimination	281	(422)	(9)	(154)	(1,854)	(2,158)
Profit/(Loss) before tax	24,204	1,656	6,086	(868)	35,749	66,827
Tax expense						(12,574)
Profit after tax						54,253
Preceding year to date ended 31.3.2016						
Revenue						
Total revenue	236,720	54,753	69,716	31,327	22,120	414,636
Inter-segment revenue	(953)	(54,092)	(235)	(41)	(11,028)	(66,349)
Revenue from external parties	235,767	661	69,481	31,286	11,092	348,287
Results						
Segment profit/(loss)	42,506	1,307	9,457	(4,371)	(12,672)	36,227
Share of results of associated companies and a joint venture	-	-	-	-	50,207	50,207
	42,506	1,307	9,457	(4,371)	37,535	86,434
Inter-segments elimination	414	(764)	(65)	539	(1,218)	(1,094)
Profit/(Loss) before tax	42,920	543	9,392	(3,832)	36,317	85,340
Tax expense						(13,269)
Profit after tax						72,071

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017**A7. Segmental information (Cont'd)****(b) Geographical segments analysis**

The Group's operations are mainly based in Malaysia and Australia. Other geographical segments mainly include Singapore, Thailand, Vietnam and British Virgin Islands. In presenting information on the basis of geographical areas, segment performance is based on the geographical location of customers.

	Malaysia RM'000	Australia RM'000	Others RM'000	Consolidated RM'000
Current year to date ended 31.3.2017				
Revenue	293,308	932	8,304	302,544
Profit/(Loss) before tax	68,763	(1,925)	(11)	66,827
Preceding year to date ended 31.3.2016				
Revenue	343,175	909	4,203	348,287
Profit/(Loss) before tax	87,169	(1,535)	(294)	85,340

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017**A8. Effects of changes in the composition of the Group for the current year to date****(a) Acquisitions of additional equity interests from non-controlling interests in PJ Development Holdings Berhad ("PJDH")**

From 1 January 2017 to 28 February 2017, pursuant to the Notice to Holder Who Has Not Accepted the Voluntary Take-Over Offer dated 4 October 2016, the Company further acquired the following ordinary shares and warrants of PJDH:

	Shares	Warrants
Number of units	2,156,000	1,498,083
Average price per share (RM)	1.50	0.50
Total purchase consideration (RM)	<u>3,234,000</u>	<u>749,042</u>

Arising from the above acquisitions, the Company's effective interest in ordinary shares and warrants of PJDH increased from 96.42% to 96.83% and from 90.60% to 91.66% respectively.

The acquisitions of additional equity interests from non-controlling interests of PJDH have the following effects to the Group:

	RM'000
Net assets acquired from non-controlling interests	5,218
Gains on consolidation recognised in equity	<u>(1,984)</u>
Cash outflow on acquisitions of additional ordinary shares in PJDH	3,234
Cash outflow on acquisitions of additional warrants in PJDH	749
	<u>3,983</u>

(b) Striking off of Olympic Cable (Singapore) Pte. Ltd. ("OCS")

On 21 March 2017, OCS, a dormant wholly-owned subsidiary company of Olympic Cable Company Sdn. Bhd., which is a subsidiary company of PJDH, which in turn is a subsidiary company of the Company, had applied to the Accounting and Corporate Regulatory Authority of Singapore for striking off.

The striking off does not have any material financial effect to the Group.

(c) Incorporation of Yarra Development Holdings (Australia) Sdn. Bhd.

On 28 March 2017, PJDH incorporated a wholly-owned subsidiary company, Yarra Development Holdings (Australia) Sdn. Bhd., with an issued and paid up capital of RM100 comprising of 100 ordinary shares.

(d) Incorporation of Yarra Australia Development Pty. Ltd.

On 29 March 2017, Yarra Development Holdings (Australia) Sdn. Bhd. incorporated a wholly-owned subsidiary company, Yarra Australia Development Pty. Ltd., with an issued and paid up capital of AUD 10 comprising of 10 ordinary shares.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017**A9. Events subsequent to the end of the current quarter that have not been reflected in this quarterly report****(a) Acquisitions of additional equity interests in PJDH after 31 March 2017**

From 1 April 2017 to 18 May 2017, the following PJDH ordinary shares was acquired:

	Shares
Number of units	186,500
Average price per share (RM)	1.50
Total purchase consideration (RM)	<u>279,750</u>

(b) Issuance of 60,000 PJDH's ordinary shares pursuant to conversion of PJDH's Warrant C

On 11 May 2017, PJDH issued 60,000 new ordinary shares of RM1 each for cash pursuant to the exercise of warrants for the equivalent numbers by the registered holders.

Arising from the (a) and (b) above, the Company's effective interest in ordinary shares and warrants of PJDH increased from 96.83% to 96.85% and from 91.66% to 91.74% respectively.

(c) Share Sale Agreement Entered by PJDH and Employees Provident Fund Board ("EPF") and Share Subscription Agreement Entered by Yarra Australia Development Pty. Ltd. and Yarra Park City Pty. Ltd.

On 5 April 2017, PJDH entered a Share Sale Agreement with EPF for the disposal of 100 ordinary shares representing 100% equity interest in Yarra Development Holdings (Australia) Sdn. Bhd., a wholly-owned subsidiary company of PJDH, which in turn a subsidiary company of the Company, for a total cash consideration of RM100.

On even date, Yarra Australia Development Pty. Ltd. has entered into a share subscription agreement with Yarra Park City Pty. Ltd., a 81.85% owned subsidiary company of P.J. (A) Pty. Limited, which is a subsidiary company of PJDH, which in turn a 79.26% owned subsidiary company of the Company, to subscribe for 110,490,197 ordinary shares in the Yarra Park City Pty. Ltd. at an amount of AUD154 million ("Base Subscription Amount"), which may be adjusted to include an amount or amounts (if any) of up to (in aggregate) AUD21 million ("Contingent Amount") in accordance with the Subscription Agreement, which representing 49% of the entire enlarged paid-up share capital of the Yarra Park City Pty. Ltd..

Upon completion of the share subscription, the Company's equity interest in Yarra Park City Pty. Ltd. decreased from 79.26% to 40.42%.

(d) Striking off of Swiss-Garden Rewards (Singapore) Pte. Ltd. ("SGRS")

On 6 April 2017, SGRS, a dormant wholly-owned subsidiary company of Swiss-Garden Rewards Sdn. Bhd., which is a subsidiary company of PJDH, which in turn is a subsidiary company of the Company, had applied to the Accounting and Corporate Regulatory Authority of Singapore for striking off.

The striking off does not have any material financial effect to the Group.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017
A10. Significant unrecognised contractual commitments

	As at 31.3.2017 RM'000	As at 31.12.2016 RM'000
Contracted but not provided for:		
- Acquisition of development land	-	118,321
- Acquisition of plant, equipment and software	1,773	1,807
- Construction of investment property	24,670	24,670
- Professional fee for corporate exercise	-	200
	26,443	144,998

A11. Changes in contingent liabilities or contingent assets

There were no major changes in contingent liabilities or contingent assets of the Group since the previous audited financial statements.

A12. Significant related party transactions

Entities	Nature of transactions	Income/(Expense) Current year to date ended 31.3.2017 RM'000
(a) <u>Significant transactions with associated companies:</u>		
Agile PJD Development Sdn. Bhd.	- Interest income	605
RHB Asset Management Sdn. Bhd.	- Fund distribution income	707
RHB Investment Bank Berhad	- Office rental income	261
RHB Bank Berhad	- Interest expense	(10,981)
	- Commitment fee	(273)
(b) <u>Significant transactions with other related parties:</u>		
Dindings Construction Sdn. Bhd.	- Construction works	(244)
DC Services Sdn. Bhd.	- Insurance premium expense	(484)
Sincere Source Sdn. Bhd.	- Insurance premium expense	(568)

A13. Fair value measurement
Determination of fair value

The carrying amounts of trade and other receivables/payables, cash and cash equivalents and short term borrowings were approximated their fair values due to the relatively short term maturity in nature of these financial instruments. The Group's capital financing are mostly fixed rate loans with short term maturities and the carrying amounts of capital financing are approximate their fair values. The fair values of impaired fixed rate capital financing are represented by their carrying value, net of individual impairment allowance, being the expected recoverable amount.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017
A13. Fair value measurement (Cont'd)
Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable for the assets or liabilities, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data for the assets or liabilities.

The following table shows an analysis of financial instruments and non-financial assets recorded at fair value within the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 31.3.2017				
Non financial assets				
Investment properties	-	298,104	354,561	652,665
Financial assets				
Available-for-sale securities	-	-	789	789
Biological assets	-	-	146	146
Derivative asset	-	34,099	-	34,099
Securities at fair value through profit or loss	246	-	-	246
	246	332,203	355,496	687,945
As at 31.12.2016				
Non financial assets				
Investment properties	-	297,873	351,907	649,780
Financial assets				
Available-for-sale securities	-	-	954	954
Biological assets	-	-	145	145
Derivative asset	-	35,871	-	35,871
Securities at fair value through profit or loss	199	-	-	199
	199	333,744	353,006	686,949

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the last bid price. There were no transfers between levels of the fair value hierarchy during the current year to date.

A14. Derivative financial instruments

As at 31.3.2017

Type of Derivative	Contract / Notional RM'000	Carrying Amount at Fair Value RM'000	Cash Flow Hedge Reserve RM'000
Cross-currency interest rate swap contract - 1 year to 3 years	99,360	34,099	17

The cross-currency interest rate swap have been entered into in order to operationally hedge the borrowing denominated in United States Dollar ('USD') and floating monthly interest payments on borrowings that would mature on 30 September 2018. The fair value of these components has been determined based on the difference between the monthly future rates and the strike rate.

The derivative is initially recognised at fair value on the date the derivative contract is entered into. Pursuant to inception of the cash flow hedge, subsequent gain or loss on remeasurement of the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017
PART B - Explanatory Notes Pursuant to Chapter 9, Part K - Periodic Disclosures, Part A of Appendix 9B, of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")
B1. Performance analysis of the Group for the current quarter and year to date

The Group's overall financial performance are analysed as below:

	Current quarter ended 31.3.2017 RM'000	Immediate preceding quarter ended 31.12.2016 RM'000	Comparative quarter ended 31.3.2016 RM'000	Current year to date ended 31.3.2017 RM'000	Preceding year to date ended 31.3.2016 RM'000
Revenue	302,544	376,683	348,287	302,544	348,287
Pre-tax profit from the businesses before gain on fair valuation and impairment loss	20,775	50,309	35,133	20,775	35,133
Gain on fair valuation of investment properties	-	55,984	-	-	-
Impairment loss on infrastructure development costs	-	(10,436)	-	-	-
Share of results of associated companies and a joint venture	46,052	21,549	50,207	46,052	50,207
Pre-tax profit	66,827	117,406	85,340	66,827	85,340

Current Quarter ("1Q17") compared with Comparative Quarter of Preceding Year ("1Q16")

The Group registered consolidated revenue of RM302.54 million and pre-tax profit of RM66.83 million in 1Q17 compared with revenue of RM348.29 million and pre-tax profit of RM85.34 million in 1Q16, representing decrease of RM45.75 million or 13% in revenue and RM18.51 million or 22% in pre-tax profit. The 1Q17 performance was impacted by lower contributions from the Property and Industries Segments as well as share of profit of RHB group. The performance of the Group was partly cushioned by higher profit generated from Construction and Capital Financing businesses.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017
B1. Performance analysis of the Group for the current quarter and year to date (Cont'd)
Current Quarter ("1Q17") compared with Comparative Quarter of Preceding Year ("1Q16") (Cont'd)

Pre-tax profit analysis of the respective business segments is as follow:

Business Segments (RM'000)	Current quarter ended 31.3.2017	Immediate preceding quarter ended 31.12.2016	Comparative quarter ended 31.3.2016	Current year to date ended 31.3.2017	Preceding year to date ended 31.3.2016
<i>Property Development</i>	22,869	48,515	37,546	22,869	37,546
<i>Property Investment and Management</i>	1,335	60,909	5,374	1,335	5,374
1. Property	24,204	109,424	42,920	24,204	42,920
2. Construction	1,656	2,403	543	1,656	543
3. Industries	6,086	5,920	9,392	6,086	9,392
<i>Hotels and Resorts</i>	(1,351)	(9,387)	(2,753)	(1,351)	(2,753)
<i>Vacation Club</i>	483	(4,061)	(1,079)	483	(1,079)
4. Hospitality	(868)	(13,448)	(3,832)	(868)	(3,832)
<i>Capital Financing</i>	6,045	7,982	5,473	6,045	5,473
<i>Investment Holding</i>	29,704	5,125	30,844	29,704	30,844
5. Financial Services and Investment Holding	35,749	13,107	36,317	35,749	36,317
Pre-tax profit	66,827	117,406	85,340	66,827	85,340

The Property Segment registered revenue of RM192.46 million and pre-tax profit of RM24.20 million in 1Q17 compared with revenue of RM235.77 million and pre-tax profit of RM42.92 million in 1Q16, representing decrease of RM43.31 million or 18% in revenue and RM18.72 million or 44% in pre-tax profit. The lower revenue and pre-tax profit in 1Q17 were mainly due to fewer projects undertaken during the year compared to 2016. The Group have been cautious in launching new projects in the last two years due to subdued property market, thus resulting in fewer on-going projects in year 2017.

The Construction Segment contributed revenue of RM5.42 million and pre-tax profit of RM1.66 million in 1Q17 compared with revenue of RM0.66 million and pre-tax profit of RM0.54 million in 1Q16, representing increase of RM4.76 million or 8 times in revenue and RM1.12 million or 3 times in pre-tax profit. The increase in revenue and pre-tax profit mainly due to increase in progress billing from its on-going construction projects.

The Industries Segment registered revenue of RM65.94 million and pre-tax profits of RM6.09 million in 1Q17 compared with revenue of RM69.48 million and pre-tax profit of RM9.39 million in 1Q16, representing decrease of RM3.54 million or 5% in revenue and RM3.30 million or 35% in pre-tax profit. The 1Q17 earnings were impacted by lower demand for power cables from private sector and increase in financing cost.

The Hospitality Segment registered revenue of RM27.60 million and pre-tax loss of RM0.87 million in 1Q17 compared with revenue of RM31.29 million and pre-tax loss of RM3.83 million in 1Q16, representing a decrease of RM3.69 million or 12% in revenue and improvement of RM2.96 million or 77% in pre-tax performance. Lower revenue recorded in 1Q17 for Hotels and Resorts Division was mainly due to the lower number of available rooms nights due to management decision to discontinue the lease of certain properties coupled with slightly lower occupancy rate. Despite the drop in revenue, the division recorded lower pre-tax losses due to cost optimisation exercise for positive results. Vacation Club Division recorded a profit of RM0.48 million in 1Q17 from loss of RM1.08 million in 1Q16 as 1Q16 was affected by the higher number of members terminated.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017**B1. Performance analysis of the Group for the current quarter and year to date (Cont'd)***Current Quarter ("1Q17") compared with Comparative Quarter of Preceding Year ("1Q16") (Cont'd)*

The Capital Financing Division posted higher revenue of RM10.39 million and pre-tax profit of RM6.05 million in 1Q17 compared with revenue of RM10.12 million and pre-tax profit of RM5.47 million in 1Q16, representing increase of RM0.27 million or 3% in revenue and RM0.58 million or 11% in pre-tax profit. The capital financing business generated higher fee and interest income as a result of higher loan disbursements in 1Q17.

The Investment Holding Division contributed pre-tax profit of RM29.70 million in 1Q17 compared with RM30.84 million in 1Q16, representing a decrease of RM1.14 million or 4% in pre-tax profit mainly due to slight decrease in share of profit of RHB group.

B2. Commentary on pre-tax profit for current quarter compared with immediate preceding quarter*Current Quarter ("1Q17") and immediate preceding quarter ("4Q16")*

The Group recorded lower revenue of RM302.54 million and pre-tax profit of RM66.83 million in 1Q17 compared with revenue of RM376.68 million and pre-tax profit RM71.87 million (excluding the gain on fair valuation of investment properties of RM55.98 million and impairment in respect of infrastructure development costs of RM10.44 million) in 4Q16, representing a drop in revenue and pre-tax profit of 20% and 7% respectively.

The Property Segment recorded revenue of RM192.46 million and pre-tax profit of RM24.20 million in 1Q17 compared with revenue of RM257.31 million and pre-tax profit of RM53.44 million (excluding gain on fair valuation of investment properties of RM55.98 million) in 4Q16. The decrease in revenue and pre-tax profit were mainly due to fewer on-going projects in 1Q17 and some of the newly launched projects are still at their early stages of construction.

The Construction Segment registered revenue of RM5.42 million and pre-tax profit of RM1.66 million in 1Q17 compared with revenue of RM6.58 million and pre-tax profit of RM2.40 million in 4Q16, representing decrease of RM1.16 million or 18% in revenue and RM0.74 million or 31% in pre-tax profit. The lower pre-tax profit in 1Q17 compared to immediate preceding quarter as there were additional profit recognised in 4Q16 due to finalisation of an external project.

The Industries Segment recorded revenue of RM65.94 million and pre-tax profit of RM6.09 million in 1Q17 compared with revenue of RM69.70 million and pre-tax profit of RM5.92 million including an allowance for doubtful debts of RM0.40 million in 4Q16, representing slight reduction of RM3.76 million or 5% in revenue and an increase of RM0.17 million or 3% in pre-tax profit.

The Hospitality Segment recorded revenue of RM27.60 million and pre-tax loss of RM0.87 million in 1Q17 compared with revenue of RM31.24 million and pre-tax loss of RM3.01 million (excluding an impairment in respect of infrastructure development costs of RM10.44 million) in 4Q16. The better performance in 4Q16 was due to the cyclical effects of holidays seasons. Vacation Club reported a pre-tax profit of RM0.48 million in 1Q17 compared to pre-tax loss of RM4.06 million in 4Q16 as the previous quarter includes an accrual for cost incurred related to international exchange programme.

The Capital Financing Division recorded revenue of RM10.39 million and pre-tax profit of RM6.05 million in 1Q17 compared with revenue of RM11.69 million and pre-tax profit of RM7.98 million in 4Q16, representing a decrease of RM1.30 million or 11% in revenue and RM1.93 million or 24% in pre-tax profit. There was a write back of allowance for doubtful debts of RM0.94 million in 4Q16 and lower revenue and pre-tax profit were mainly due to lower fees and interest income earned in 1Q17.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017

B2. Commentary on pre-tax profit for current quarter compared with immediate preceding quarter (Cont'd)

Current Quarter ("1Q17") and immediate preceding quarter ("4Q16")(Cont'd)

The Investment Holding Division contributed pre-tax profit of RM29.70 million in 1Q17, increased by RM24.57 million, compared with RM5.13 million in 4Q16. The increase in pre-tax profit was mainly due to higher share of results of associated companies and a joint venture of RM46.05 million in 1Q17, increase by RM24.50 million mainly due to higher share of profit of RHB Group.

B3. Commentary on current year prospects and progress on previously announced revenue or profit forecast

(a) Prospects for the remaining year 2017

The Property Development Division will continue to drive the sales of existing on-going projects and new projects in Malaysia and Australia.

The Property Investment business is expected to contribute steady rental income from the commercial and retail tenants despite the challenging retail market.

The Construction Segment will continue to focus on delivery of its current order book on hand on timely manner and to strengthen its presence in the construction industry.

The Industries Segment is anticipated to perform satisfactorily as it continues to tap on projects undertaken by the government and private sectors as well as enhancing its profitability through improving production efficiency, cost control, monitoring and reporting.

The Hospitality Segment is expected to improve in tandem with the increase in tourist spending.

The Financial Services and Investment Holding Segment's performance will follow the performance trend of RHB Group and Capital Financing Division is expected to perform well.

The Board is confident that the Group will achieve satisfactory results for the remaining year taking into consideration the domestic and external challenges to the Malaysian economy.

(b) Progress and steps to achieve revenue or profit estimate, forecast, projection and internal targets previously announced

There were no revenue or profit forecast previously announced by the Company.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017
B4. Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced

There were no revenue or profit forecast previously announced by the Company.

B5. Profit forecast/profit guarantee previously announced

There were no profit forecast or profit guarantee previously announced by the Company.

B6. Tax expense

	Current quarter ended 31.3.2017 RM'000	Current year to date ended 31.3.2017 RM'000
In respect of the current year		
Malaysian income tax	(12,016)	(12,016)
Under provision in respect of prior years		
Malaysian income tax	(3)	(3)
Deferred taxation	(555)	(555)
Tax expense	<u>(12,574)</u>	<u>(12,574)</u>

Excluding share of results of associated companies and a joint venture, the effective tax rate for the current year to date is higher than the statutory tax rate of 24% mainly due to non-deductibility of certain expenses and losses in certain subsidiary companies that are not available for off-set against taxable profits in other subsidiary companies within the Group.

B7. Status of corporate proposals and utilisation of proceeds

There is no outstanding corporate proposal as at the date of this report.

B8. Borrowings and debt securities as at the end of the reporting period

The Group's borrowings and debt securities at the end of the current year to date are as follows (denominated in Ringgit Malaysia unless otherwise stated):

As at 31.3.2017	Secured RM'000	Unsecured RM'000	Total RM'000
Non-current			
Debts - Medium term notes			
- Ringgit Malaysia	837,751	-	837,751
Borrowings			
- Ringgit Malaysia	624,010	-	624,010
- United States Dollar	99,555	-	99,555
	<u>723,565</u>	<u>-</u>	<u>723,565</u>
Current			
Borrowings			
- Ringgit Malaysia	220,354	369,238	589,592
- Australian Dollar	211,438	-	211,438
- United States Dollar	33,602	-	33,602
- Vietnamese Dong	-	2,355	2,355
	<u>465,394</u>	<u>371,593</u>	<u>836,987</u>
Total	<u>2,026,710</u>	<u>371,593</u>	<u>2,398,303</u>

B9. Changes in material litigation

Saved as disclosed below, the Group was not engaged in any material litigation, claims nor arbitration either as plaintiff or defendant and the Directors are not aware of any proceeding pending or threatened against the Group or of any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

- (a) Arbitration between Atria Damansara Sdn Bhd ("Claimant" or "ADSB") v BUCG (M) Sdn Bhd ("Respondent" or "BUCG")

ADSB, a subsidiary company of OSK Property Holdings Berhad ("OSKPH") which in turn is a subsidiary company of the Company filed a revised Notice of Arbitration on 23 November 2016.

On 17 March 2017, ADSB has agreed to the appointment of the sole arbitrator for the arbitration proceedings.

- (b) Claims by 14 Houseowners / Purchasers against OSK Properties Sdn Bhd ("OSKPSB") (together with architect W.K.Khor Architect and Majlis Perbandaran Sungai Petani ("MPSP"))

OSKPSB, a subsidiary company of OSKPH which in turn is a subsidiary company of the Company had entered into sale and purchase agreements with 14 purchasers ("the Purchasers") between the year 2012 and 2013 for the purchase of housing units at the Bandar Puteri Jaya project in Sungai Petani. The purchase price stated in the Sale and Purchase Agreements with each of the Purchasers range from RM271,212 to RM385,022 for each housing unit.

On 3 May 2016, OSKPSB was served with a Writ and Statement of Claim by the Purchasers who had alleged inter-alia that the construction of their properties had defects and that part of their properties differed from the show house. Each of the Purchasers is claiming: (a) damages amounting to RM2.5 million against OSKPSB; (b) damages amounting to RM2.5 million against the Architect and (c) damages amounting to RM700,000 against MPSP.

The next case management for the Discovery application of the Plaintiffs has been fixed on 14 June 2017.

B10. Dividends

No dividend has been declared or paid for the current year to date ended 31 March 2017 (1Q16: Nil).

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017
B11. Earnings Per Share (“EPS”) attributable to Owners of the Company

	Current quarter ended 31.3.2017	Comparative quarter ended 31.3.2016	Current year to date ended 31.3.2017	Preceding year to date ended 31.3.2016
(a) <u>Basic earnings per share</u>				
Profit attributable to Owners of the Company (RM'000)	54,268	69,620	54,268	69,620
Weighted average number of ordinary shares in issue ('000)	1,384,791	1,384,793	1,384,791	1,384,793
Basic EPS (sen)	3.92	5.03	3.92	5.03
(b) <u>Diluted earnings per share</u>				
Profit attributable to Owners of the Company (RM'000)	54,268	69,620	54,268	69,620
Weighted average number of ordinary shares in issue ('000)	1,384,791	1,384,793	1,384,791	1,384,793
Effect of dilution of assumed exercise of Warrants C 2015/2020 ('000)^	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	1,384,791	1,384,793	1,384,791	1,384,793
Diluted EPS (sen)	3.92	5.03	3.92	5.03

^ The Company's Warrant C 2015/2020 that could potentially dilute basic earnings per share in the future were not included in the calculation of the diluted earnings per share because they are anti-dilutive.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017
B12. Audit report of preceding annual financial statements

The audit report of the Group's annual financial statements for the preceding year were not subject to any qualification.

B13. Items included in the Statements of Profit or Loss and Statements of Comprehensive Income

	Current quarter ended 31.3.2017 RM'000	Comparative quarter ended 31.3.2016 RM'000	Current year to date ended 31.3.2017 RM'000	Preceding year to date ended 31.3.2016 RM'000
Profit before tax is arrived at after crediting/(charging):				
(i) <u>Revenue</u>				
Interest income	8,083	8,459	8,083	8,459
Rental income	11,090	11,402	11,090	11,402
(ii) <u>Cost of sales</u>				
Interest expense	(2,965)	(2,856)	(2,965)	(2,856)
(iii) <u>Other income</u>				
Dividend income	58	-	58	-
Fund distribution income	1,035	128	1,035	128
Gain on disposals of:				
- investment properties	299	453	299	453
- plant and equipment	20	28	20	28
Gain on fair valuation of:				
- biological assets	1	105	1	105
- securities at fair value through profit or loss	46	46	46	46
Gain on foreign exchange transactions	136	-	136	-
Gain on foreign exchange translations	80	-	80	-
Interest income on deposits and placements with financial institutions	2,208	2,533	2,208	2,533
Recovery of bad debts	1	1	1	1
Write back of allowance for impairment losses on capital financing:				
- Collective assessment	32	-	32	-
- Individual assessment	-	10	-	10
Write back of allowance for impairment losses on trade receivables				
- Individual assessment	386	104	386	104
(iv) <u>Administrative expenses</u>				
Depreciation and amortisation	(6,056)	(7,024)	(6,056)	(7,024)

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017
B13. Items included in the Statements of Profit or Loss and Statements of Comprehensive Income (Cont'd)

	Current quarter ended 31.3.2017 RM'000	Comparative quarter ended 31.3.2016 RM'000	Current year to date ended 31.3.2017 RM'000	Preceding year to date ended 31.3.2016 RM'000
Profit before tax is arrived at after crediting/(charging):				
(v) <u>Other items of expense</u>				
Impairment losses on:				
- capital financing:				
- individual assessment	(5)	-	(5)	-
- trade and other receivables:				
- individual assessment	(612)	(1,556)	(612)	(1,556)
Loss on disposals of:				
- intangible asset	(11)	-	(11)	-
- plant and equipment	(3)	-	(3)	-
Loss on foreign exchange transactions	-	(166)	-	(166)
Loss on foreign exchange translations	(121)	-	(121)	-
Write off of:				
- bad debts on trade and other receivables	(1,003)	(6)	(1,003)	(6)
- plant and equipment	(127)	(39)	(127)	(39)
(vi) <u>Finance costs</u>				
- Interest expense	(17,957)	(18,225)	(17,957)	(18,225)

Items for other comprehensive income are disclosed in the Statement of Comprehensive Income. There were no gain or loss on disposal of unquoted investments, allowance for and write off of inventories for the current year to date. There were no impairment of assets other than items disclosed above.

QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2017**B14. Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements**

The breakdown of the retained profits of the Group into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 31.3.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits of the Company and its subsidiary companies		
- Realised	2,239,139	2,236,760
- Unrealised	485,323	482,459
	2,724,462	2,719,219
Total share of retained profits from associated companies and a joint venture		
- Realised	684,151	637,712
- Unrealised	(3,034)	(2,909)
	681,117	634,803
Less : Consolidation adjustments	(933,315)	(948,628)
	2,472,264	2,405,394

The above disclosure is solely for complying with the disclosure requirements stipulated in the directive and should not be applied for any other purposes.

By Order of the Board

Tan Sri Ong Leong Huat
Executive Chairman
Kuala Lumpur
25 May 2017