

QUARTERLY REPORT FOR THE THIRD QUARTER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

	Note	As at 30.9.2021 RM'000	As at 31.12.2020 (Restated) RM'000	As at 1.1.2020 (Restated) RM'000
Assets:				
Non-current				
Property, plant and equipment		557,527	577,152	605,518
Investment properties		472,518	456,303	464,780
Investments in associates and a joint venture		3,920,958	3,880,828	3,681,201
Intangible assets		1,053	1,085	1,205
Right-of-use assets		66,024	76,715	78,886
Inventories		1,487,207	1,355,068	1,198,764
Deferred tax assets		65,942	67,005	94,234
Capital financing		371,519	247,978	182,629
Trade receivables		13,316	8,945	26,080
Other assets		1,302	1,420	882
Derivative asset	B14	1,966	-	-
		6,959,332	6,672,499	6,334,179
Current				
Inventories		223,444	256,437	353,203
Capital financing		694,352	574,940	594,557
Trade receivables		179,120	210,699	254,533
Other assets		43,413	88,996	79,238
Contract assets		199,398	163,958	129,742
Biological assets		577	54	251
Tax recoverable		19,794	15,420	12,038
Securities at fair value through profit or loss		204	225	264
Cash, bank balances and short term funds		713,913	662,702	585,844
		2,074,215	1,973,431	2,009,670
Assets / assets of disposal group classified held for sale		23,056	-	21,998
		2,097,271	1,973,431	2,031,668
Total Assets		9,056,603	8,645,930	8,365,847

QUARTERLY REPORT FOR THE THIRD QUARTER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021 (CONT'D)**

	Note	As at 30.9.2021 RM'000	As at 31.12.2020 (Restated) RM'000	As at 1.1.2020 (Restated) RM'000
Liabilities:				
Non-current				
Borrowings	A5(b),(c),(d),(e),B8(a)	1,898,980	1,504,241	1,393,437
Trade payables		12,678	16,390	17,543
Other liabilities		45,600	49,330	6,469
Contract liabilities		87,083	93,963	107,131
Lease liabilities		2,969	13,719	20,801
Derivative liability	B14	-	6,013	-
Deferred tax liabilities		104,408	109,014	115,546
		2,151,718	1,792,670	1,660,927
Current				
Borrowings	A5(b),(c),(d),(e),B8(a)	851,760	892,756	985,095
Trade payables		67,299	86,348	80,079
Other liabilities		455,657	445,136	514,126
Contract liabilities		30,013	30,778	33,516
Lease liabilities		15,291	14,879	8,894
Tax payable		23,108	16,300	11,209
		1,443,128	1,486,197	1,632,919
Liabilities of disposal group classified as held for sale		-	-	10,135
		1,443,128	1,486,197	1,643,054
Total Liabilities		3,594,846	3,278,867	3,303,981
Net Assets		5,461,757	5,367,063	5,061,866
Equity:				
Share capital		2,095,311	2,095,311	2,095,310
Treasury shares, at cost	A5(a)	(43,226)	(43,226)	(35,636)
		2,052,085	2,052,085	2,059,674
Reserves		3,338,881	3,245,548	2,928,278
Issued capital and reserves attributable to Owners of the Company		5,390,966	5,297,633	4,987,952
Non-controlling interests		70,791	69,430	73,914
Total Equity		5,461,757	5,367,063	5,061,866
Net Assets per share attributable to Owners of the Company (RM)		2.61	2.57	2.41
Number of outstanding ordinary shares in issue ('000)		2,062,104	2,062,104	2,071,836

(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 2020)

QUARTERLY REPORT FOR THE THIRD QUARTER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

	Current quarter ended 30.9.2021	Comparative quarter ended 30.9.2020 (Restated)	Current year to date ended 30.9.2021	Preceding year to date ended 30.9.2020 (Restated)
Note	RM'000	RM'000	RM'000	RM'000
Revenue	219,362	319,669	811,534	749,968
Cost of sales	(144,375)	(224,500)	(564,285)	(523,905)
Gross profit	74,987	95,169	247,249	226,063
Gain on disposal of a subsidiary	-	-	-	7,657
Other income	5,555	11,281	18,390	26,077
Administrative expenses	(40,197)	(45,297)	(118,069)	(139,481)
Other expenses	(1,198)	(5,852)	(8,965)	(13,749)
	39,147	55,301	138,605	106,567
Finance costs	(10,261)	(11,282)	(33,351)	(39,036)
	28,886	44,019	105,254	67,531
Share of results of associates and a joint venture, net of tax	60,307	69,507	231,001	205,687
Profit before tax	89,193	113,526	336,255	273,218
Tax expense	(8,855)	(5,430)	(33,686)	(26,532)
Profit after tax	80,338	108,096	302,569	246,686
Profit attributable to:				
Owners of the Company	79,888	107,145	299,911	244,133
Non-controlling interests	450	951	2,658	2,553
	80,338	108,096	302,569	246,686
Earnings per share attributable to Owners of the Company (sen):				
Basic / Diluted	3.87	5.24	14.54	11.79

(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 2020)

QUARTERLY REPORT FOR THE THIRD QUARTER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

	Current quarter ended 30.9.2021	Comparative quarter ended 30.9.2020 (Restated)	Current year to date ended 30.9.2021	Preceding year to date ended 30.9.2020 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit after tax	80,338	108,096	302,569	246,686
Other comprehensive income/(expenses) for the period, net of tax				
(a) Items of other comprehensive income/(expenses):				
(i) Will be reclassified subsequently to profit or loss when specific conditions are met:				
- <i>Fair value gain/(loss) on cash flow hedge</i>	817	510	1,679	(4,436)
- <i>Foreign currency translation loss</i>	(752)	(431)	(539)	(1,119)
(ii) Reclassified to profit or loss:				
<i>Foreign currency translation upon disposal of a subsidiary</i>	-	-	-	(2,025)
	65	79	1,140	(7,580)
(b) Share of other comprehensive (expenses)/income and reserves of associates accounted for using equity method:				
(i) Item that will not be reclassified subsequently to profit or loss:				
- <i>Fair values through other comprehensive income ("FVTOCI") and other reserves</i>	(2,131)	2,819	481	6,336
(ii) Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
- <i>Foreign currency translation reserves</i>	(18,674)	(19,719)	(6,536)	2,918
- <i>FVTOCI and other reserves</i>	(27,062)	33,089	(119,536)	70,199
	(47,867)	16,189	(125,591)	79,453
Total other comprehensive (expenses)/income for the period, net of tax	(47,802)	16,268	(124,451)	71,873
Total comprehensive income	32,536	124,364	178,118	318,559
Total comprehensive income/(expenses) attributable to:				
Owners of the Company	32,583	123,379	175,815	315,756
Non-controlling interests	(47)	985	2,303	2,803
	32,536	124,364	178,118	318,559

(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 2020)

QUARTERLY REPORT FOR THE THIRD QUARTER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

	Attributable to Owners of the Company							Total issued share capital and reserves	Non-controlling interests	Total equity	
	Note	Share capital	Treasury shares [Note A5(a)]	Revaluation reserve	Foreign currency translation reserves	Hedging reserve	Other reserves				Retained profits
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1.1.2021											
As per previously reported		2,095,311	(43,226)	63,451	19,704	(3,457)	164,855	2,997,781	5,294,419	69,386	5,363,805
Adoption of IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23 Borrowing Costs)	A1(ii)	-	-	-	-	-	-	3,214	3,214	44	3,258
As restated		2,095,311	(43,226)	63,451	19,704	(3,457)	164,855	3,000,995	5,297,633	69,430	5,367,063
Profit after tax		-	-	-	-	-	-	299,911	299,911	2,658	302,569
Fair value gain on cash flow hedge	B14	-	-	-	-	1,679	-	-	1,679	-	1,679
Foreign currency translation loss		-	-	-	(533)	-	-	-	(533)	(6)	(539)
Share of other comprehensive expenses and reserves of associates accounted for using equity method:											
- Foreign currency translation reserves		-	-	-	(6,187)	-	-	-	(6,187)	(349)	(6,536)
- FVTOCI and other reserves		-	-	-	-	-	(119,055)	-	(119,055)	-	(119,055)
Other comprehensive (expenses)/income		-	-	-	(6,720)	1,679	(119,055)	-	(124,096)	(355)	(124,451)
Total comprehensive (expenses)/income		-	-	-	(6,720)	1,679	(119,055)	299,911	175,815	2,303	178,118
Dividends paid to:											
- Owners of the Company	A6	-	-	-	-	-	-	(82,484)	(82,484)	-	(82,484)
- Non-controlling interests		-	-	-	-	-	-	-	-	(2,929)	(2,929)
Total distributions to Owners		-	-	-	-	-	-	(82,484)	(82,484)	(2,929)	(85,413)
Acquisitions of additional interests in a subsidiary from non-controlling interests:											
- Accretion of equity interests	A8(a)	-	-	-	-	-	-	-	-	(3)	(3)
- Gain on acquisitions	A8(a)	-	-	-	-	-	-	2	2	-	2
Issuance of ordinary shares by subsidiaries to non-controlling interests	A8(b),(d)	-	-	-	-	-	-	-	-	1,990	1,990
Total changes in ownership interest in subsidiaries		-	-	-	-	-	-	2	2	1,987	1,989
Total transactions with Owners in their capacity as Owners		-	-	-	-	-	-	(82,482)	(82,482)	(942)	(83,424)
As at 30.9.2021		2,095,311	(43,226)	63,451	12,984	(1,778)	45,800	3,218,424	5,390,966	70,791	5,461,757

QUARTERLY REPORT FOR THE THIRD QUARTER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 (CONT'D)**

Note	Attributable to Owners of the Company							Total issued share capital and reserves	Non- controlling interests	Total equity
	Share capital	Treasury shares	Revalua- -tion reserve	Foreign currency translation reserves	Hedging reserve	Other reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
As at 1.1.2020										
As per previously reported	2,095,310	(35,636)	63,451	11,221	-	111,790	2,743,327	4,989,463	73,986	5,063,449
Adoption of IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23 Borrowing Costs)	A1(ii)	-	-	-	-	-	(1,511)	(1,511)	(72)	(1,583)
As restated	2,095,310	(35,636)	63,451	11,221	-	111,790	2,741,816	4,987,952	73,914	5,061,866
Profit after tax	-	-	-	-	-	-	244,133	244,133	2,553	246,686
Fair value loss on cash flow hedge	-	-	-	-	(4,436)	-	-	(4,436)	-	(4,436)
Foreign currency translation loss	-	-	-	(1,086)	-	-	-	(1,086)	(33)	(1,119)
Foreign currency translation reclassified to profit or loss upon disposal of a subsidiary	-	-	-	(1,964)	-	-	-	(1,964)	(61)	(2,025)
Share of other comprehensive income and reserves of associates accounted for using equity method:										
- Foreign currency translation reserves	-	-	-	2,574	-	-	-	2,574	344	2,918
- FVTOCI and other reserves	-	-	-	-	-	76,535	-	76,535	-	76,535
Other comprehensive (expenses)/income	-	-	-	(476)	(4,436)	76,535	-	71,623	250	71,873
Total comprehensive (expenses)/income	-	-	-	(476)	(4,436)	76,535	244,133	315,756	2,803	318,559
Dividends paid to:										
- Owners of the Company	A6	-	-	-	-	-	(62,124)	(62,124)	-	(62,124)
- Non-controlling interests		-	-	-	-	-	-	-	(23)	(23)
Issuance of shares pursuant to exercise of Warrants C 2015/2020		1	-	-	-	-	-	1	-	1
Total contribution by/(distributions to) Owners		1	-	-	-	-	(62,124)	(62,123)	(23)	(62,146)
Acquisitions of additional interests in subsidiaries from non-controlling interests:										
- Accretion of equity interests		-	-	-	-	-	-	-	(4,427)	(4,427)
- Gain on acquisitions		-	-	-	-	-	2,065	2,065	-	2,065
Effects of acquisitions of warrants in a subsidiary		-	-	-	-	-	(6,611)	(6,611)	-	(6,611)
Exercise of warrants of a subsidiary:										
- Shares issued by a subsidiary		-	-	-	-	-	-	-	30	30
- Effects of dilution of interests in a subsidiary		-	-	-	-	-	(49)	(49)	49	-
Total changes in ownership interest in subsidiaries		-	-	-	-	-	(4,595)	(4,595)	(4,348)	(8,943)
Share buybacks by the Company		-	(1,038)	-	-	-	-	(1,038)	-	(1,038)
Total transactions with Owners in their capacity as Owners		1	(1,038)	-	-	-	(66,719)	(67,756)	(4,371)	(72,127)
As at 30.9.2020		2,095,311	(36,674)	63,451	10,745	(4,436)	188,325	5,235,952	72,346	5,308,298

(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 2020)

QUARTERLY REPORT FOR THE THIRD QUARTER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

	Current year to date ended 30.9.2021	Preceding year to date ended 30.9.2020 (Restated)
Note	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	336,255	273,218
Adjustments for:		
Non-cash and non-operating items	12,311	24,723
Share of results of associates and a joint venture	(231,001)	(205,687)
Operating profit before changes in working capital	117,565	92,254
<i>Decrease/(Increase) in operating assets:</i>		
Inventories	47,345	99,603
Capital financing	(243,502)	(1,910)
Trade receivables	28,716	81,216
Other assets	22,552	16,018
Contract assets	(35,441)	4,083
<i>(Decrease)/Increase in operating liabilities:</i>		
Trade payables	(22,760)	(3,364)
Other liabilities	(3,723)	(49,653)
Contract liabilities	(7,646)	5,290
<i>Changes in working capital</i>	(214,459)	151,283
Cash (used in)/from operations	(96,894)	243,537
Income tax paid	(35,810)	(16,915)
Income tax refunded	1,012	3,886
Interest paid	(22,843)	(35,081)
Interest received	63,763	56,514
Net cash (used in)/from operating activities	(90,772)	251,941
Cash Flows From Investing Activities		
<i>Investment, divestment and income of assets:</i>		
Acquisitions of additional:		
- shares in subsidiaries from non-controlling interests	(1)	(2,362)
- warrants in a subsidiary	-	(6,611)
Expenditure incurred on investment properties	(16,214)	(11,266)
Funds distribution income received	6,102	5,853
Interest received	1,270	4,035
Net cash inflow from disposal of a subsidiary	-	7,205
Proceeds from disposals of plant and equipment	120	402
Purchase of:		
- land held for property development	(151,547)	(88,300)
- plant and equipment	(23,371)	(12,129)
- software licenses	(145)	(91)
<i>Net investment, divestment and income of assets/</i>		
<i>Sub-total carried forward</i>	(183,786)	(103,264)

QUARTERLY REPORT FOR THE THIRD QUARTER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 (CONT'D)**

	Note	Current year to date ended 30.9.2021 RM'000	Preceding year to date ended 30.9.2020 (Restated) RM'000
Cash Flows From Investing Activities (Cont'd)			
<i>Sub-total brought forward</i>		(183,786)	(103,264)
<i>Dividends and shares:</i>			
Capital repayment of an associate		65,279	-
Dividends received		40,617	75,142
<i>Net dealings with associates</i>		105,896	75,142
Net cash used in investing activities		(77,890)	(28,122)
Cash Flows From Financing Activities			
<i>Funding in business:</i>			
Expenses incurred on borrowings		(2,789)	-
<i>Drawdowns/(Repayments):</i>			
Proceeds from/Drawdown of:			
- issuance of medium term notes and Sukuk	A5(c)(ii),(e)(i)(ii)	798,000	300,000
- loans		19,575	174,660
Redemptions/Repayments of:			
- medium term notes and Sukuk	A5(b),(c)(i)(iii),(d)(i)(ii)	(352,825)	(178,662)
- loans		(40,987)	(97,109)
- revolving credits - net		(76,962)	(267,443)
<i>Net drawdowns/(repayments)</i>		346,801	(68,554)
Interest paid		(26,196)	(37,113)
Payment of lease liabilities		(12,500)	(11,346)
<i>Dividends, share proceeds and share buybacks:</i>			
Dividend paid to:			
- Owners of the Company	A6	(82,484)	(62,124)
- non-controlling interests		(2,929)	(23)
Proceeds from:			
- exercise of warrants of a subsidiary		-	30
- exercise of warrants of the Company		-	1
- issuance of shares to non-controlling interests		530	-
Share buybacks		-	(1,038)
<i>Net dealing with Owners</i>		(84,883)	(63,154)
Net cash from/(used in) financing activities		220,433	(180,167)
Net increase in cash and cash equivalents		51,771	43,652
Effects of exchange rate changes		(560)	(1,470)
Cash and cash equivalents at beginning of the period		662,702	590,044
Cash and cash equivalents at end of the period, comprised cash bank balances and short term funds		713,913	632,226

(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 2020)

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

Explanatory notes to Quarterly Report for the current year to date ended 30 September 2021

The unaudited interim financial report ("the quarterly report"), a condensed consolidated financial statement of the Group, has 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 ("Bursa Securities")

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 2020 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 2020.

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 2020 except for adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRSs"), which are effective for financial year ending 31 December 2021:

(i) Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

The adoption of the above amendments to MFRSs do not have any significant financial impact to the Group's financial statements.

(ii) IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23) ("IFRIC IAS 23")

This is in relation to the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development, if it is a qualifying asset as defined in IAS 23 'Borrowing Costs' and thus capitalises any directly attributable costs. The IFRS Interpretations Committee ("IFRIC") concluded that:

- Any receivable and contract asset that the entity recognises is not a qualifying asset.
- Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

An entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020. As such, the Group has applied the requirements for the change in accounting policy in accordance to MFRS 101 'Presentation of Financial Statements' by making retrospective restatement of items in financial statements.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

A1. Basis of preparation (Cont'd)

(ii) IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23) ("IFRIC IAS 23") (Cont'd)

The effects of the adoption of IFRIC IAS 23 for the Group on the financial statements as at 1 January 2020 and 31 December 2020 are as follows:

Statement of Financial Position as at 1.1.2020	Effect of As adoption of previously reported	IFRIC IAS 23	As restated
	RM'000	RM'000	RM'000
Assets:			
Non-current - Deferred tax assets	93,891	343	94,234
Current - Inventories	355,129	(1,926)	353,203
Total Assets	8,367,430	(1,583)	8,365,847
Equity:			
Retained profits	2,743,327	(1,511)	2,741,816
Reserves	2,929,789	(1,511)	2,928,278
Non-controlling interests	73,986	(72)	73,914
Total Equity	5,063,449	(1,583)	5,061,866
Net Assets per share attributable to Owners of the Company (RM)	2.41	@	2.41
Statement of Financial Position as at 31.12.2020			
Assets:			
Non-current - Deferred tax assets	68,134	(1,129)	67,005
Current - Inventories	252,050	4,387	256,437
Total Assets	8,642,672	3,258	8,645,930
Equity:			
Retained profits	2,997,781	3,214	3,000,995
Reserves	3,242,334	3,214	3,245,548
Non-controlling interests	69,386	44	69,430
Total Equity	5,363,805	3,258	5,367,063
Net Assets per share attributable to Owners of the Company (RM)	2.57	@	2.57

@ negligible

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

A1. Basis of preparation (Cont'd)

(ii) IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23) ("IFRIC IAS 23") (Cont'd)

The effects of the adoption of IFRIC IAS 23 for the Group on the financial statements as at 1 January 2020 and 31 December 2020 are as follows: (Cont'd)

Statement of Profit or Loss for the financial year ended 30.9.2020	Effect of As adoption of		As restated
	previously reported	IFRIC IAS 23	
	RM'000	RM'000	RM'000
Cost of sales	(530,597)	6,692	(523,905)
Finance costs	(35,328)	(3,708)	(39,036)
Profit before tax	270,234	2,984	273,218
Tax expense	(25,858)	(674)	(26,532)
Profit after tax	244,376	2,310	246,686
Profit attributable to:			
Owners of the Company	241,894	2,239	244,133
Non-controlling interests	2,482	71	2,553
Earnings per share attributable to Owners of the Company (sen):			
Basic / Diluted	11.68	0.11	11.79

(iii) Amendment to MFRS 16 'Leases' - COVID-19 - Related Rent Concessions beyond 30 June 2021

This amendment extends the applicable period of the practical expedient introduced in 2020, by providing relief for lessee in assessing whether the rent concessions occurred as a direct consequence of COVID-19 is considered to be lease modification. A lessee that applied the practical expedient shall treat these rent concessions as if they are not lease modifications. The amendment in Year 2020 covered the rental concession up to 30 June 2021, by one year to cover rent concessions in relation to COVID-19 that reduce lease payments up to 30 June 2022.

The Group continues to adopt the Amendment to MFRS 16 with election to apply the practical expedient to all rent concession received that meet the conditions. Accordingly, the Group recognised rent concession received in profit or loss as disclosed in Note B13(iii).

A2. Seasonality or cyclicity of interim operations

The performance of the Hotels and Resorts division of the Group is dependent on holiday seasons. The other business operations of the Group for the current year to date were not affected by any seasonal or cyclical factors.

However, the Group's operations were affected by implementation of the various stages of Movement Control Orders ("MCO") in Malaysia and snap lockdowns in Australia that were implemented since March 2020 to control the spread of COVID-19.

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

Save for the impact of the MCO and snap lockdowns implemented to curb the spread of COVID-19, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group because of their nature, size or incidence during the current year to date.

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A4. Changes in estimates of amounts reported previously

There were no material changes in estimates of amounts reported previously that have a material effect in the current quarter.

A5. Issues, repurchases and repayments of debts and equity securities

The issuances, repurchases and repayments of debt and equity securities of the Group for the current year to date are as follow:

(a) Share buybacks/Treasury shares of the Company

The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 127 of the Companies Act 2016. There were no share issuance, cancellations, resale and buybacks for the current year to date.

(b) Medium Term Note Programme ("MTN1") for the issuance of medium term notes of up to RM990.0 million in nominal value

On 15 October 2015, the Company lodged with the Securities Commission Malaysia ("SC") all the required information and relevant documents relating to the MTN1 pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. MTN1 will give the Company the flexibility to raise funds via the issuance of MTNs of up to RM990.0 million in nominal value, which can be utilised for working capital requirements and repayment of borrowings of the Group. MTN1 is unrated and has a tenure of fifteen (15) years from the date of its first issuance.

On 30 October 2015, 17 November 2016 and 1 December 2016, the Company issued a total of RM940.1 million of MTN1 with maturities commencing from year 2017 to 2022 and redeemable every 6 months commencing 18 and 30 months after the first issuance date. The proceeds raised from the issuance of the MTN1 were utilised for working capital requirements and repayment of borrowings of the Group.

On 17 March 2021, 1 April 2021, 11 May 2021 and 17 May 2021, the Company fully redeemed all outstanding MTN1 of RM191.8 million.

On 14 June 2021, the Company cancelled MTN1 and all shares pledged have been discharged and received by the Company and the relevant assignment and charge were pledged previously.

MTN1 was secured by:

- (1) first party legal charge by way of Memorandum of Deposit with Power of Attorney over shares in certain subsidiaries; and
- (2) first party assignment and charge over the Company's rights (including rights to sue), title, interest and benefit in and under the Debt Service Reserve Account ("DSRA") and Disbursement Account and all monies standing to the credit thereto.

MTN1 contained various covenants, including the following:

- (i) the Group shall maintain a gearing ratio of not exceeding 1.5 times throughout the tenure of MTN1.
- (ii) the Company shall maintain a security cover ratio of not less than 1.5 times throughout the tenure of MTN1.
- (iii) the Company shall maintain a DSRA with a minimum amount equivalent to one month interest payment. 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.

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

(c) Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN2") both programmes for the issuance of medium term notes and Sukuk with a combined limit of up to RM1.8 billion in nominal value

On 9 March 2018, OSK I CM Sdn. Bhd. ("OSKICM"), a wholly-owned subsidiary of the Company, lodged Sukuk 1 with SC. On 20 April 2018, OSKICM lodged MTN2 and re-lodged the Sukuk 1 with SC all the required information and relevant documents pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. Both programmes give OSKICM the flexibility to raise funds via the issuance of Sukuk 1 or MTN2 with a combined limit of up to RM1.8 billion in nominal value, which can be utilised for working capital requirements and repayment of borrowings of the Group. Both Sukuk 1 and MTN2 are unrated and tradeable and have a perpetual tenure.

The terms of Sukuk 1 and MTN2 contain various covenants, including the following:

- (1) the Group shall maintain a gearing ratio of not exceeding 1.5 times at all times throughout the tenure of the Programme.
- (2) OSKICM shall set up or procure Trustees' Reimbursement Account with RM30,000 each in respect of Sukuk 1 and MTN2 which shall be maintained at all times throughout the tenure of the Programme.

(i) Tranche 1 and Tranche 2 of MTN2

On 30 April 2018 and 17 May 2018, OSKICM issued a total of RM250.0 million of Tranche 1 of MTN2 in 4 series with maturities commencing from year 2021 to 2028 and redeemable every 12 months commencing 12 months after the first issuance date.

On 30 January 2019, OSKICM issued Tranche 2 of MTN2 of RM200.0 million in 7 series with maturities commencing from year 2020 to 2026, redeemable every 12 months commencing 12 months after the first issuance date.

Both proceeds from Tranche 1 and Tranche 2 of MTN2 were utilised for working capital requirements and repayment of borrowings of the Group.

For the current year to date, OSKICM redeemed RM75.0 million of Tranche 1 and RM70.0 million of Tranche 2 of MTN2. Since first issuance on 30 April 2018, the total amount redeemed in respect of Tranche 1 and Tranche 2 of MTN2 amounted to RM195.5 million and RM170.6 million respectively. As at 30 September 2021, the outstanding amount of Tranche 1 and Tranche 2 of MTN2 stood at RM54.5 million and RM29.4 million respectively.

Both Tranche 1 and Tranche 2 of MTN2 require a security cover of not less than 2.0 times and are secured by:

- (1) shares in an associate of the Company ("Tranche 1 and Tranche 2 Pledged Shares"); and
- (2) all its rights, titles, interests and benefits in and under the share proceeds account ("PA") for Tranche 1 and Tranche 2 maintained by the Company and all monies from time to time standing to the credit thereto (this proceeds account mainly to capture dividend income receivable from an associate).

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

- (c) **Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN2") both programmes for the issuance of medium term notes and Sukuk with a combined limit of up to RM1.8 billion in nominal value (Cont'd)**

(ii) Tranche 3 of MTN2

On 8 April 2021, OSKICM issued Tranche 3 of MTN2 of RM100.0 million in 5 series with maturities commencing from year 2024 to 2028 and redeemable every 12 months commencing 36 months after the first issuance date.

Proceeds from Tranche 3 of MTN2 were utilised to part finance the acquisition of project land, which includes reimbursement and other related expenses.

There was no redemption since the first issuance date. As at 30 September 2021, the outstanding amount of Tranche 3 of MTN2 stood at RM100.0 million.

The Tranche 3 of MTN2 is secured by:

- (1) all its rights, titles, interests and benefits in and under the DSRA for Tranche 3 maintained by OSKICM and all monies from time to time standing to the credit thereto; and
- (2) a piece of land owned by Aspect Potential Sdn. Bhd. ("APSB"), a subsidiary of OSK Property Holdings Berhad ("OSKPH"), which in turn is a subsidiary of the Company, and all its present and future assets of APSB.

(iii) Tranche 2 of Sukuk 1

On 23 July 2018, OSKICM issued a total of RM93.0 million, for acquisition of a piece of land for development, with maturities commencing from year 2021 to 2024 and redeemable every 3 months commencing 36 months after the first issuance date.

On 23 July 2021, OSKICM redeemed RM6.0 million of Tranche 2 of Sukuk 1. Since first issuance on 23 July 2018, the total amount redeemed in respect of Tranche 2 of Sukuk 1 amounted to RM6.0 million. As at 30 September 2021, the outstanding amount of Tranche 2 of Sukuk 1 remained at RM87.0 million.

The Tranche 2 of Sukuk 1 is secured by:

- (1) all its rights, titles, interests and benefits in and under the operating account for Tranche 2 ("Tranche 2 Operating Account") maintained by OSKICM and all monies from time to time standing to the credit thereto;
- (2) all its rights, titles, interests and benefits in and under the Finance Service Reserve Account ("FSRA") and Tranche 2 Operating Account maintained by Perspektif Vista Sdn. Bhd. ("PV"), a subsidiary of OSKPH, which in turn is a subsidiary of the Company, and all monies from time to time standing to the credit thereto;
- (3) a development land charge under the provisions of the National Land Code 1965;
- (4) a debenture creating a first ranking fixed and floating charge over all its present and future assets in respect of the project; and
- (5) a FSRA, maintained by PV, of a minimum amount equivalent to three periodic profit payments.

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

- (c) **Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN2") both programmes for the issuance of medium term notes and Sukuk with a combined limit of up to RM1.8 billion in nominal value (Cont'd)**

(iv) **Tranche 3 of Sukuk 1**

On 5 November 2018, OSKICM issued Tranche 3 of Sukuk 1 of RM170.0 million to repay Company's borrowings. Tranche 3 of Sukuk 1 is redeemable every 6 months commencing 36 months after the first issuance date and with maturities commencing from year 2021 to 2025.

There was no redemption since the first issuance date. As at 30 September 2021, the outstanding amount of Tranche 3 of Sukuk 1 stood at RM170.0 million.

The Tranche 3 of Sukuk 1 requires a security cover of not less than 1.5 times and is secured by:

- (1) shares in certain subsidiaries ("Pledged Shares");
- (2) all its rights, titles, interests and benefits in and under the shares proceeds account for Tranche 3 ("Tranche 3 Proceeds Account") maintained by the Company and all monies from time to time standing to the credit thereto (this proceeds account is mainly to capture dividend income receivable from certain subsidiaries);
- (3) all its rights, titles, interests and benefits in and under FSRA and Tranche 3 Operating Account maintained by OSKICM and all monies from time to time standing to the credit thereto; and
- (4) a FSRA, maintained by OSKICM, of a minimum amount equivalent to one periodic profit payment.

- (d) **Medium Term Note Programme ("MTN3") for the issuance of medium term notes of up to RM980.0 million nominal value in aggregate**

On 25 April 2019, OSKICM lodged with SC all the required information and relevant documents relating to the MTN3 pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. MTN3 is unrated and tradeable with a limit of up to RM980.0 million and has a perpetual tenure.

Proceeds raised from the issuance of the MTN3 shall be utilised by OSKICM and the Group for (i) investment activities; (ii) capital expenditure; (iii) working capital requirements; (iv) general corporate exercise; and (v) refinancing of existing borrowings.

The terms of the MTN3 contain various covenants, including the following:

- (1) the Group shall maintain a gearing ratio of not exceeding 1.5 times throughout the tenure of the Programme.
- (2) OSKICM shall set up or procure Trustees' Reimbursement Account ("TRA") with a sum of RM30,000 in respect of MTN3 which shall be maintained at all times throughout the tenure of the Programme.

(i) **Tranche 1 of MTN3**

On 10 May 2019, OSKICM issued Tranche 1 of MTN3 of RM164.2 million in 15 series with maturities commencing from year 2020 to 2034, redeemable every 12 months commencing 12 months after the first issuance date. The proceeds were utilised to repay bank borrowings of a subsidiary.

On 8 May 2020 and 10 May 2021, OSKICM redeemed RM5.0 million and RM5.0 million respectively. As at 30 September 2021, the outstanding amount of Tranche 1 of MTN3 stood at RM154.2 million.

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

(d) Medium Term Note Programme ("MTN3") for the issuance of medium term notes of up to RM980.0 million nominal value in aggregate (Cont'd)

(i) Tranche 1 of MTN3 (Cont'd)

The Tranche 1 of MTN3 is secured by:

- (1) all its rights, titles, interests and benefits to and in, amongst others:
 - (i) Atria Mall Revenue Account and Carpark Revenue Account ("Revenue Accounts") maintained by Atria Shopping Gallery Sdn. Bhd. ("ASG") and Atria Parking Management Sdn. Bhd. ("APM") respectively, subsidiaries of OSKPH, which in turn are subsidiaries of the Company and all monies from time to time standing to the credit thereto;
 - (ii) Atria Mall Rental Proceed and Carpark Rental Proceed ("Rental Proceeds") maintained by ASG and APM respectively, and all monies from time to time standing to the credit thereto;
 - (iii) DSRA maintained by a subsidiary, ASG and all monies from time to time standing to the credit thereto;
 - (iv) Insurances of ASG and APM;
 - (v) Atria Mall and Carpark under the Sale and Purchase Agreement entered between ASG, APM and Atria Damansara Sdn. Bhd. ("AD"), a subsidiary of OSKPH, which in turn is a subsidiary of the Company;
- (2) debentures by ASG and APM creating a first fixed charge over Atria Mall and Carpark respectively, all fixtures, fittings, equipment, machinery, systems and all other appurtenant thereto both present and future affixed to or installed in or within Atria Mall and Carpark; and
- (3) a piece of land owned by AD together with all buildings and fixtures erected thereon, charge under the provisions of the National Land Code 1965.

(ii) Tranche 2, Tranche 3 and Tranche 4 of MTN3

OSKICM issued Tranche 2 of MTN3 for RM100.0 million and Tranche 3 of MTN3 of RM100.0 million on 30 September 2019 and 30 January 2020 respectively. Proceeds from both tranches were utilised for working capital requirements and redeemable after 5 years from the issuance date.

On 30 September 2020, OSKICM issued Tranche 4 of MTN3 of RM200.0 million in 8 series with maturities commencing from year 2021 to 2028, redeemable every 12 months commencing 12 months after the first issuance date. The proceeds were utilised for repayment of the existing bank borrowings of the Group.

There was no redemption for Tranche 2 and Tranche 3 of MTN3 since the first issuance date. As at 30 September 2021, the outstanding amount of Tranche 2 and Tranche 3 of MTN3 stood at RM100.0 million and RM100.0 million respectively.

On 30 September 2021, OSKICM redeemed RM5.0 million of Tranche 4 of MTN3. As at 30 September 2021, the outstanding amount of Tranche 4 stood at RM195.0 million.

The Tranche 2, Tranche 3 and Tranche 4 of MTN3 are secured by:

- (1) first party legal charge by the way of Memorandum of Deposit with Power of Attorney over shares of an associate of the Company;
- (2) all its rights, titles, interests and benefits to and in the DSRA maintained by OSKICM and all monies from time to time standing to the credit thereto; and
- (3) a DSRA, maintained by OSKICM, of a minimum amount equivalent to one month coupon payment.

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

- (e) **Islamic Medium Term Notes (Sukuk Murabahah) Programme ("Sukuk-R"), which together with a Multi-Currency Medium Term Notes Programme ("MCMTN-R"), will have a combined limit of up to RM2.0 billion (or its equivalent in other currencies) in aggregate nominal value, guaranteed by the Company**

On 29 September 2020, OSK Rated Bond Sdn. Bhd. ("OSKRB"), a wholly-owned subsidiary of the Company lodged with SC all the required information and relevant documents relating to Sukuk-R/MCMTN-R pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. The tenure of the Sukuk-R/MCMTN-R Programme is perpetual.

Malaysia Rating Corporation Berhad ("MARC") had on 16 November 2020 assigned a final rating of AA_{IS}/AA with stable outlook to OSKRB's Sukuk-R and MCMTN-R. On 28 October 2021, MARC has affirmed its AA_{IS}/AA ratings on OSKRB's Sukuk-R/MCMTN-R with stable outlook.

The terms of Sukuk-R and MCMTN-R contain various covenants, including the following:

- (1) the Group shall maintain a gearing ratio of not exceeding 1.5 times throughout the tenure of the Programme.
- (2) OSKRB shall set up or procure Trustees' Reimbursement Account with a sum of RM30,000 in respect of Sukuk-R and MCMTN-R which shall be maintained at all times throughout the tenure of the Programme.

(i) **Series 1 of Sukuk-R and Series 1 of MCMTN-R**

On 12 March 2021, OSKRB issued Series 1 of Sukuk-R of RM100.0 million and Series 1 of MCMTN-R for RM20.0 million at fixed rate of 3.55% per annum and redeemable 60 months after the issuance date. Proceeds from both issuances were utilised for working capital and repayment of borrowings of the Group.

There was no redemption since the issuance date. As at 30 September 2021, the outstanding amount of Series 1 of Sukuk-R and Series 1 of MCMTN-R stood at RM100.0 million and RM20.0 million respectively.

(ii) **Series 2 and Series 3 of Sukuk-R**

On 30 April 2021, OSKRB issued (i) Series 2 of Sukuk-R of RM373.0 million with a tenure of 7 years maturing on 28 April 2028 at fixed rate of 4.39% per annum; (ii) Series 3 of Sukuk-R of RM205.0 million with a tenure of 10 years maturing on 30 April 2031 at fixed rate of 4.52% per annum. Proceeds from both the issuances were utilised for working capital and repayment of borrowings of the Group.

There was no redemption since the issuance date. As at 30 September 2021, the outstanding amount of Series 2 and Series 3 of Sukuk-R stood at RM373.0 million and RM205.0 million respectively.

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

Summary of the MTNs and Sukuk outstanding amounts are as follows:

	<u>For current year to date</u>		<u>As at 30 September 2021</u>				
	<u>Issuance</u>	<u>Redemption</u>	<u>Outstanding</u>	<u>DSRA</u>	<u>FSRA</u>	<u>PA</u>	<u>TRA</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>amounts</u>	<u>balances</u>	<u>balances</u>	<u>balances</u>	<u>balances</u>
			<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
(1) MTN1	-	191,825	-	1	-	-	-
(2) Tranche 1 of MTN2	-	75,000	54,500	-	-	14	32
(3) Tranche 2 of MTN2	-	70,000	29,405	-	-	33	-
(4) Tranche 3 of MTN2	100,000	-	100,000	277	-	-	-
(5) Tranche 2 of Sukuk 1	-	6,000	86,970	-	1,236	-	32
(6) Tranche 3 of Sukuk 1	-	-	170,000	-	766	36	-
(7) Tranche 1 of MTN3	-	5,000	154,200	720	-	-	32
(8) Tranche 2 of MTN3	-	-	100,000	381	-	-	-
(9) Tranche 3 of MTN3	-	-	100,000	380	-	-	-
(10) Tranche 4 of MTN3	-	5,000	195,000	526	-	-	-
(11) Series 1 of Sukuk-R	100,000	-	100,000	-	-	-	30
(12) Series 1 of MCMTN-R	20,000	-	20,000	-	-	-	30
(13) Series 2 of Sukuk-R	373,000	-	373,000	-	-	-	-
(14) Series 3 of Sukuk-R	205,000	-	205,000	-	-	-	-
	<u>798,000</u>	<u>352,825</u>	<u>1,688,075</u>	<u>2,285</u>	<u>2,002</u>	<u>83</u>	<u>156</u>
Less: Unamortised issuance expenses			(489)				
			<u>1,687,586</u>				

The interest rates of MTNs and profit rates of Sukuk ranged from 3.01% to 4.52% per annum.

A6. Dividends paid during the current year to date

<u>30 September 2021</u>	<u>Interim</u>	<u>Final</u>	<u>Total</u>
	<u>2021</u>	<u>2020</u>	
For the year ended 31 December			
Amount per share (sen)	1.0	3.0	4.0
Dividend paid (RM'000)	20,621	61,863	82,484
Number of ordinary share ('000)	2,062,104	2,062,104	
Payment date	30.9.2021	11.5.2021	
<u>30 September 2020</u>			
For the year ended 31 December		2019	
Amount per share (sen)		3.0	3.0
Dividend paid (RM'000)		62,124	62,124
Number of ordinary share ('000)		2,070,813	
Payment date		2.7.2020	

Dividends declared for the current year to date is disclosed in Note B10.

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A7. Segmental information

The Group's businesses are organised into five (5) core business segments, based on the nature of the products and services, the operating results of each segment are regularly reviewed by Board of Directors and senior management of the Group to make decisions about resources allocation to the segment and assess its performance. The five core business segments are described as follows:

(a) Property

- (i) Property Development – Development of residential and commercial properties for sale, provision of project management services and sharing of results of associates which are involved in property development activities.
- (ii) Property Investment and Management – Management and letting of properties, contributing rental yield and appreciation of properties and sharing of results of an associate and a joint venture which dealt with letting of office and retails space.

(b) Construction

- Building construction revenue derived from the property development projects carried out.

(c) Industries

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

(d) Hospitality

- (i) Hotels and Resorts under Swiss-Garden – Management and operation of hotels and resorts, including golf course operations, room rental, food and beverage revenue and fee income.
- (ii) SGI Vacation Club – Management of vacation timeshare and sale of timeshare membership.

(e) Financial Services & Investment Holding

- (i) Capital Financing – Financing activities include generating interest, fee and related income on loans and financing portfolio.
- (ii) Investment Holding and Others – Investing activities and other insignificant business segments, where investments contribute dividend income and interest income as well as sharing of results of an associate which engaged in financial services business.

Business segment performance is evaluated based on operating results which in certain aspects are measured differently from profits or loss in the consolidated financial statements.

Business segment revenue and results include items directly attributable to each segment as well as those that can be allocated on a reasonable basis. The inter-segment transactions have been entered into at arms-length with terms mutually agreed between the segments and have been eliminated to arrive at the Group's results. During the year, there is no single external customer with ten percent or more of the Group's revenue.

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A7. Segmental information (Cont'd)

(a) Business segment analysis

The following table provides an analysis of the Group's revenue and results by five (5) core business segments:

	Property	Construction	Industries	Hospitality	Financial Services & Investment Holding	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year to date ended 30.9.2021						
Revenue						
Total revenue	532,614	80,709	143,515	20,659	369,007	1,146,504
Inter-segment revenue	(3,603)	(79,383)	-	(74)	(32,151)	(115,211)
- subsidiaries	-	-	-	-	(188,687)	(188,687)
- an associate	-	-	-	-	(31,072)	(31,072)
Revenue from external parties	529,011	1,326	143,515	20,585	117,097	811,534
Results						
Segment profit/(loss)	85,488	429	3,672	(16,416)	32,026	105,199
Share of results of associates and a joint venture	37,516	-	-	-	193,485	231,001
	123,004	429	3,672	(16,416)	225,511	336,200
Realisation of profit upon completion of sale/(Elimination of unrealised profit)	-	741	-	-	(686)	55
Profit/(Loss) before tax	123,004	1,170	3,672	(16,416)	224,825	336,255
Tax (expense)/income	(19,282)	(34)	(1,451)	325	(13,244)	(33,686)
Profit/(Loss) after tax	103,722	1,136	2,221	(16,091)	211,581	302,569
Preceding year to date ended 30.9.2020 (Restated)						
Revenue						
Total revenue	470,995	148,974	153,720	36,873	406,068	1,216,630
Inter-segment revenue	(3,638)	(148,974)	(3,639)	(360)	(50,139)	(206,750)
- subsidiaries	-	-	-	-	(184,770)	(184,770)
- an associate	-	-	-	-	(75,142)	(75,142)
Revenue from external parties	467,357	-	150,081	36,513	96,017	749,968
Results						
Segment profit/(loss)	47,907	415	2,959	(19,061)	30,897	63,117
Gain on disposal of a subsidiary	-	-	7,657	-	-	7,657
Share of results of associates and a joint venture	51,426	-	-	-	154,261	205,687
	99,333	415	10,616	(19,061)	185,158	276,461
Realisation of profit upon completion of sale/(Elimination of unrealised profit)	70	(179)	-	-	(3,134)	(3,243)
Profit/(Loss) before tax	99,403	236	10,616	(19,061)	182,024	273,218
Tax (expense)/income	(12,911)	325	(1,768)	115	(12,293)	(26,532)
Profit/(Loss) after tax	86,492	561	8,848	(18,946)	169,731	246,686
Increase/(Decrease) in profit/(loss) before tax	23,601	934	(6,944)	2,645	42,801	63,037
% of increase/(decrease)	24%	>100%	(65%)	14%	24%	23%

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A7. Segmental information (Cont'd)

(a) Business segment analysis (Cont'd)

The following table provides an analysis of the Group's assets and liabilities by five (5) core business segments:

	Property	Construction	Industries	Hospitality	Financial Services & Investment Holding	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30.9.2021						
Assets						
Tangible assets	2,979,368	30,416	193,685	350,493	1,494,894	5,048,856
Intangible assets	150	-	-	-	903	1,053
	2,979,518	30,416	193,685	350,493	1,495,797	5,049,909
Investments in associates and a joint venture	595,093	-	-	-	3,325,865	3,920,958
Segment assets	3,574,611	30,416	193,685	350,493	4,821,662	8,970,867
Deferred tax assets and tax recoverable	52,536	1,132	81	24,655	7,332	85,736
Total assets	3,627,147	31,548	193,766	375,148	4,828,994	9,056,603
Liabilities						
Segment liabilities	1,584,553	50,174	32,686	222,253	1,577,664	3,467,330
Deferred tax liabilities and tax payable	94,739	28	9,505	7,011	16,233	127,516
Total liabilities	1,679,292	50,202	42,191	229,264	1,593,897	3,594,846
As at 31.12.2020 (Restated)						
Assets						
Tangible assets	2,880,541	39,466	203,048	345,996	1,212,541	4,681,592
Intangible assets	236	-	-	-	849	1,085
	2,880,777	39,466	203,048	345,996	1,213,390	4,682,677
Investments in associates and a joint venture	635,400	-	-	-	3,245,428	3,880,828
Segment assets	3,516,177	39,466	203,048	345,996	4,458,818	8,563,505
Deferred tax assets and tax recoverable	51,557	1,962	38	24,421	4,447	82,425
Total assets	3,567,734	41,428	203,086	370,417	4,463,265	8,645,930
Liabilities						
Segment liabilities	1,453,709	62,116	40,134	259,124	1,338,470	3,153,553
Deferred tax liabilities and tax payable	96,891	26	9,441	7,173	11,783	125,314
Total liabilities	1,550,600	62,142	49,575	266,297	1,350,253	3,278,867
Increase/(Decrease) in segment assets	58,434	(9,050)	(9,363)	4,497	362,844	407,362
% of increase/(decrease)	2%	(23%)	(5%)	1%	8%	5%
Increase/(Decrease) in segment liabilities	130,844	(11,942)	(7,448)	(36,871)	239,194	313,777
% of increase/(decrease)	9%	(19%)	(19%)	(14%)	18%	10%

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A7. Segmental information (Cont'd)

(b) Geographical segments analysis

The Group's operations are mainly based in Malaysia (for all the five (5) core businesses) and Australia (Property Development, Property Investment and Capital Financing).

The following table provides an analysis of the Group's revenue, results and non-current assets by geographical segments:

	<u>Malaysia</u>	<u>Australia</u>	<u>Vietnam</u>	<u>Consolidated</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current year to date ended 30.9.2021				
Revenue	<u>810,997</u>	<u>537</u>	<u>-</u>	<u>811,534</u>
Profit before tax	<u>298,302</u>	<u>37,953 #</u>	<u>-</u>	<u>336,255</u>
Preceding year to date ended 30.9.2020 (Restated)				
Revenue	<u>730,901</u>	<u>-</u>	<u>19,067 @</u>	<u>749,968</u>
Profit/(Loss) before tax	<u>227,059 *</u>	<u>46,163</u>	<u>(4)@</u>	<u>273,218</u>
As at 30.9.2021				
Non-current assets ^	<u>2,584,240</u>	<u>89</u>	<u>-</u>	<u>2,584,329</u>
As at 31.12.2020				
Non-current assets ^	<u>2,462,902</u>	<u>3,421</u>	<u>-</u>	<u>2,466,323</u>

Included share of profit of an associate, Yarra Park City Pty. Ltd., of RM38.5 million.

* Included a gain on disposal of a subsidiary of RM7.7 million.

@ Operating results of OVI covered period from 1 January 2020 to 30 June 2020, as the Group ceased its control since 30 June 2020.

^ Non-current assets exclude financial instruments, deferred tax assets and investments in associates and a joint venture.

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A8. Effects of changes in the composition of the Group for the current year to date

(a) Changes in equity interests in PJ Development Holdings Berhad ("PJDH")

Acquisitions of additional equity interests from non-controlling interests of PJDH, a subsidiary of the Company. During the current year to date, the Company acquired 1,000 ordinary shares PJDH for a total amount of RM1,200.

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	(3)
Gains on consolidation recognised in statement of changes in equity	2
Cash outflow on acquisitions of additional ordinary shares in PJDH	<u>(1)</u>

The Company's equity interest in PJDH remained at 97.22%.

(b) Incorporation and shareholdings arrangement of Lyte Malaysia Sdn. Bhd. (f.k.a. OSK Lyte Sdn. Bhd.)

On 20 January 2021, OSK Fintech Sdn. Bhd. ("OSKFT"), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary, OSK Lyte Sdn. Bhd. ("OSKL"), with an issued and paid up capital of RM1 comprising one (1) ordinary share. The principal activity of this company is to operate technology and financing platform to provide solutions to freelancers and Small and Medium-Sized Enterprises ("SMEs").

On 15 March 2021, OSKFT entered into a shareholders agreement with Lyte Venture Sdn. Bhd. ("LVSB") for the subscription of the shares in OSKL.

LVSB, a company incorporated in Malaysia, is a subsidiary of Lyte Ventures Pte. Ltd., a company incorporated in Singapore, owned by an external party not related to the Group, which carries on the business of providing financing solutions to freelancers, freelance entrepreneurs and SMEs. With this shareholders agreement, LVSB was given the right to subscribe up to 49% of the total issued and paid up share capital of OSKL.

On 18 March 2021, OSKFT and LVSB subscribed for 2,039,999 and 1,960,000 new ordinary shares for RM2,039,999 and RM1,960,000 in OSKL respectively. The issued and paid up ordinary share capital of OSKL increased from RM1 to RM4,000,000. The LVSB's subscription of RM1,960,000 was by way of cash of RM500,000 and the balance was in kind via providing access rights to a financing platform to provide solutions to freelancers and SMEs. Accordingly, OSKFT's equity interests in OSKL decreased from 100% to 51%.

On 11 May 2021, OSKL changed its name to Lyte Malaysia Sdn. Bhd..

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A8. Effects of changes in the composition of the Group for the current year to date (Cont'd)

(c) Subscription of ordinary shares

- (i) On 2 March 2021, the Company subscribed for 1,000,000 new ordinary shares at RM1 each in OSK RE Sdn. Bhd. ("OSK RE"). Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM1,000,001. The principal activity of OSK RE is to operate generation facilities that produce solar energy, provides solar power purchase agreement and/or solar leasing services. The Company's equity interests in OSK RE remained at 100%.
- (ii) On 4 March 2021, the Company subscribed for 499,999 new ordinary shares at RM1 each in OSK Factoring Sdn. Bhd. ("OSK Factoring"). Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM500,000. The principal activity of OSK Factoring is provision of factoring facilities. The Company's equity interests in OSK Factoring remained at 100%.
- (iii) On 4 March 2021, the Company subscribed for 499,999 new ordinary shares at RM1 each in OSK Syariah Capital Sdn. Bhd. ("OSKSC"). Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM500,000. The principal activity of OSKSC is provision of Islamic capital financing. The Company's equity interests in OSKSC remained at 100%.
- (iv) On 4 March 2021, the Company subscribed for 2,039,999 new ordinary shares at RM1 each in OSKFT. Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM2,040,000. The principal activity of OSKFT is investment holding. The Company's equity interests in OSKFT remained at 100%.
- (v) On 4 March 2021 and 25 March 2021, the Company subscribed for 70,000 and 140,000 new ordinary shares at RM1 each respectively in OSK Learning Academy Sdn. Bhd. ("OSKLA"). Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM210,001. The principal activity of OSKLA is learning academy. The Company's equity interests in OSKLA remained at 100%.

On 13 August 2021, OSKLA changed its name to OSK Academy Sdn. Bhd..

(d) Changes of shareholding in Aspect Vision Sdn. Bhd.

On 2 March 2021, OSKPH entered into a shareholders agreement with Pakatan Laksana (M) Sdn. Bhd. ("PLM"), a company owned by an external party not related to the Group, for the subscription of the shares in Aspect Vision Sdn. Bhd. ("AVSB"), a wholly-owned subsidiary of OSKPH, which in turn is a subsidiary of the Company.

In the shareholders agreement, PLM is entitled to subscribe up to 30% of the total issued and paid up share capital of the AVSB.

On 24 March 2021, OSKPH and PLM subscribed for 69,999 and 30,000 new ordinary shares in AVSB, respectively. The issued and paid up ordinary share capital of AVSB increased from RM1 to RM100,000. The proceeds from capital injection were used for working capital purposes. OSKPH's equity interests in AVSB decreased from 100% to 70%.

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A8. Effects of changes in the composition of the Group for the current year to date (Cont'd)

(e) Increase of equity interests in RHB Bank Berhad ("RHB") via Dividend Reinvestment Plan ("DRP")

On 8 July 2021, RHB issued and allotted 58,314,499 new RHB shares at the issue price of RM4.61 per share which was applied to the final dividend in respect of financial year ended 31 December 2020. The dividend entitlement based on shareholdings in RHB was RM31,072,121 and the Company had elected for the dividend reinvestment plan. As a result, the Company received 6,740,155 new RHB shares and cash of RM6.58 from RHB. Accordingly, the Company's equity interests in RHB increased to 10.15% from 10.13%.

A9. Events subsequent to the end of the current quarter that have not been reflected in this quarterly report

Increase of equity interests in RHB Bank Berhad ("RHB") via Dividend Reinvestment Plan ("DRP")

On 3 November 2021, RHB issued and allotted 74,558,388 new RHB shares at the issue price of RM4.69 per share which was applied to the interim dividend in respect of financial year ending 31 December 2021. The dividend entitlement based on shareholdings in RHB was RM61,936,751 and the Company had elected for the portion of dividend reinvestment plan. As a result, the Company received 8,804,084 new RHB shares and cash of RM20,645,597 from RHB. Accordingly, the Company's equity interests in RHB increased to 10.18% from 10.15%.

A10. Commitments

	As at 30.9.2021	As at 31.12.2020
	RM'000	RM'000
(a) Significant unrecognised contractual commitments		
Contracted but not provided for:		
- Acquisition of land held for property development	-	135,643
- Acquisition of office equipment and software licences	1,609	776
- Acquisition of property, plant and equipment	113	1,440
- Factory expansion	-	124
- Investment property under construction	3,269	14,500
- Professional fee	-	887
- Renovation costs	23,404	2,570
	28,395	155,940
(b) Operating lease commitments - the Group as lessor		
Not later than one year	16,246	20,488
Later than one year and not later than five years	18,706	17,572
Later than five years	29,514	31,223
	64,466	69,283

A11. Changes in contingent liabilities or contingent assets

There were no significant changes in contingent liabilities or contingent assets of the Group during the current year to date.

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A12. Significant related party transactions

<u>Entities</u>	<u>Nature of transactions</u>	Income/(Expenses) Current year to date ended 30.9.2021 RM'000
(a) Associates:		
RHB Asset Management Sdn. Bhd.	- Funds distribution income	5,075
RHB Bank Berhad	- Office rental income	633
	- Dividend income	31,072
	- Interest expense	(6,701)
RHB Islamic Bank Berhad	- Interest expense	<u>(6,531)</u>
(b) Other related parties:		
DC Services Sdn. Bhd.	- Insurance premium expense	(342)
Dindings Consolidated Sdn. Bhd.	- Office rental income	486
Dindings Design Sdn. Bhd.	- Construction revenue	485
	- Renovation costs	(219)
Dindings Life Agency Sdn. Bhd.	- Insurance premium expense	(372)
Puan Sri Khor Chai Moi	- Sale of properties	276
Raslan Loong, Shen & Eow	- Legal fees expense	(521)
Sincere Source Sdn. Bhd.	- Insurance premium expense	<u>(1,465)</u>

A13. Fair value measurement

Fair value hierarchy pursuant to MFRS 13

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.

Level 2: valuation techniques where all inputs that have a significant effect on the recorded fair values are observable for the assets, either directly or indirectly.

Level 3: valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data for the assets.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

A13. Fair value measurement (Cont'd)

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

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 30.9.2021				
Non-financial assets				
Biological assets	-	-	577	577
Investment properties	-	14,921	409,429	424,350
Financial assets				
Securities at fair value through profit or loss	204	-	-	204
Short term funds	510,028	-	-	510,028
	510,232	14,921	410,006	935,159
As at 31.12.2020				
Non-financial assets				
Biological assets	-	-	54	54
Investment properties	-	14,921	409,651	424,572
Financial assets				
Securities at fair value through profit or loss	225	-	-	225
Short term funds	470,110	-	-	470,110
	470,335	14,921	409,705	894,961

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.

Financial instruments carried at amortised cost

The carrying amounts of financial assets and financial liabilities which were classified as amortised cost assets and liabilities approximated their fair values. These financial assets and liabilities include trade and other receivables or payables, capital financing, cash and bank balances, lease liabilities, medium term notes and Sukuk and borrowings.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

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 current year to date ended 30 September 2021

The Group's overview financial performance analysis is shown as follows:

	Current quarter ended 30.9.2021 3Q21	Comparative quarter ended 30.9.2020 3Q20 (Restated)	change	Current year to date ended 30.9.2021 9M21	Preceding year to date ended 30.9.2020 9M20 (Restated)	change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
1. Property	134,135	226,195	(41%)	529,011	467,357	13%
<i>Construction revenue</i>	11,423	68,485	(83%)	80,709	148,974	(46%)
<i>Inter-segment revenue</i>	(11,423)	(68,485)	83%	(79,383)	(148,974)	47%
2. Construction	-	-	-	1,326	-	>100%
3. Industries	42,424	43,120	(2%)	143,515	150,081	(4%)
4. Hospitality	5,961	12,162	(51%)	20,585	36,513	(44%)
5. Financial Services & Investment Holding	36,842	38,192	(4%)	117,097	96,017	22%
Revenue	219,362	319,669	(31%)	811,534	749,968	8%
Pre-tax profit/(loss)						
1. Property	21,454	40,671	(47%)	123,004	99,403	24%
2. Construction	(484)	5,137	(>100%)	1,170	236	>100%
<i>Industries performance</i>	669	307	>100%	3,672	2,959	24%
<i>Gain on disposal of a subsidiary</i>	-	-	-	-	7,657	-
3. Industries	669	307	>100%	3,672	10,616	(65%)
4. Hospitality	(5,941)	(4,178)	(42%)	(16,416)	(19,061)	14%
5. Financial Services & Investment Holding	73,495	71,589	3%	224,825	182,024	24%
Pre-tax profit	89,193	113,526	(21%)	336,255	273,218	23%
Comprised:						
Pre-tax profit from the business	28,886	44,019	(34%)	105,254	67,531	56%
Share of results of associates and a joint venture	60,307	69,507	(13%)	231,001	205,687	12%
Pre-tax profit	89,193	113,526	(21%)	336,255	273,218	23%

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

B1. Performance analysis of the Group for the current quarter and current year to date ended 30 September 2021 (Cont'd)

(a) Current Year To Date ("9M21") compared with Preceding Year To Date ("9M20")

Overall, the Group's revenue climbed 8% to RM811.5 million and pre-tax profit increased 23% to RM336.3 million in 9M21 as compared with the same period a year ago. Most of the business segments recorded an improved revenue and pre-tax profit during the period under review as compared to 9M20 except for Industries and Hospitality Segments.

The Property Segment's revenue increased 13% to RM529.0 million and pre-tax profit up 24% to RM123.0 million for the period under review compared to 9M20. The sales and construction activities were less disrupted during the 9M21 despite the various stages of Movement Control Orders ("MCO") in 2021 as compared to the MCO in 2020. The ability to operate during the various phases of MCO period has increased property sales and higher construction work done in our on-going projects i.e. Ryan & Miho, YouCity III, Irangan Bayu and Bandar Puteri Jaya resulting in higher revenue recognised. On top of that, additional profit was recognised from the completion of TimurBay and Windwill projects. The joint venture projects, Melbourne Square ("MSQ") and Agile-Mont Kiara, showed a decline in share of profits to RM38.5 million in 9M21 from RM51.8 million recorded in 9M20. There were lesser number of residential units settled in 9M21 for MSQ and substantial profit was contributed by the sale of the retail podium in 2Q21. Agile-Mont Kiara project has already completed and handed over in 3Q20 thus, minimal profit contribution for the current year to date. The Property Investment Division posted a pre-tax profit of RM1.5 million for 9M21 compared to a pre-tax loss of RM1.9 million in 9M20, the turnaround was mainly due to lower rental concession granted to the affected tenants and lower impairment loss on trade debtors provided in 9M21.

The Construction Segment which undertook in-house projects recorded a slightly higher pre-tax profit of RM1.2 million for 9M21 mainly due to the reversal of project cost accrued for completed projects.

The Industries Segment recorded a slight drop in revenue by 4% to RM143.5 million but an increased pre-tax profit by 24% to RM3.7 million (excluded the gain on disposal of a foreign subsidiary of RM7.7 million recorded in 9M20) for 9M21. Despite a recovery in the trade receivables of RM3.6 million in 9M21 against RM4.6 million impairment loss made in 9M20, the incremental profit was minimal as profit margin continued compressed by the rising raw material prices especially for our power cable manufacturing division.

The revenue of Hotels Division dipped 70% to RM6.3 million in 9M21 as compared to 9M20. In the 3Q20, there was a pent-up demand for hotel accommodation as tourism activities were allowed after the MCOs were lifted in June 2020. However, the situation was different in 2021 where inter-State travels were banned since February 2021 and extended period of the various phases of MCO which allowed check-ins for the essential business travels only. This has severely affected the ability of the hotels to generate revenue to cover its operating expenses. Nevertheless, the Hotels Division were able to contain the losses at RM19.8 million in 9M21, through strict implementation of the cost optimisation exercise. The Vacation Club Division posted a higher pre-tax profit of RM3.4 million up by 42% in 9M21 mainly contributed by higher sales of membership secured in first half of 2021 and lower operating, interest and depreciation expenses.

The Capital Financing Division's revenue increased 8% to RM71.9 million and pre-tax profit improved 9% to RM42.5 million in 9M21 as compared to 9M20. The improvement was mainly due to higher interest income derived from the growth of loan portfolio to RM1.1 billion in September 2021 from RM779.1 million in September 2020.

The Investment Holding Division's pre-tax profit increased 27% to RM182.3 million from RM143.2 million mainly due to higher profit recorded by RHB resulting in share of profit of RM193.5 million in 9M21 as compared to RM154.3 million in 9M20.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

B1. Performance analysis of the Group for the current quarter and current year to date ended 30 September 2021 (Cont'd)

(b) Current Quarter ("3Q21") compared with Comparative Quarter of Preceding Year ("3Q20")

For 3Q21, the Group's performance was impacted by the implementation of the National Recovery Plan ("NRP") Phase 1 and 2 since June 2021 till September 2021, where most of the economic activities in the States where the Group has operations were restricted.

The Property Segment's revenue shrank 41% to RM134.1 million and pre-tax profit decreased 47% to RM21.5 million in 3Q21 compared with corresponding quarter, 3Q20 mainly due to lower sales and slower construction work done for all local projects during the NRP period. In addition, 3Q21 saw the completion of Ryan & Miho and Phase 3A, Irangan Bayu and planned new property launches were strategically delayed due to limited marketing and sales activities that were allowed during the NRP resulting in delay in replenishment of unbilled sales.

In respect of MSQ in Australia, lower settlements recorded and limited sales activities in 3Q21 mainly due to the extended lockdown in Melbourne which resulted in a share of loss of RM0.8 million as compared with share of profit of RM7.1 million in 3Q20. The Property Investment Division posted a pre-tax loss in 3Q21 compared to pre-tax profit in 3Q20 due to lower average occupancy rate for retail mall. In addition, the rental concession to the affected tenants for the current year were granted in 3Q21. In 2020, such rental concession was reflected in 2Q20.

The Construction Segment focused on the internal projects from Property Development Division. The lower construction work done for these projects during NRP period has affected the performance of this Division resulted in a pre-tax loss of RM0.5 million for 3Q21 versus a pre-tax profit of RM5.1 million in 3Q20.

The Industries Segment recorded a slight decrease in revenue by 2% to RM42.4 million in 3Q21 mainly due to the lower deliveries for both cables and wall panels in Malaysia which was cushioned by higher deliveries of wall panels to Singapore. The Segment posted a higher pre-tax profit mainly due to improvement in collections which has resulted in write-backs of allowance for doubtful debts of RM0.4 million in 3Q21 compared to the provision of doubtful debts of RM2.1 million in 3Q20. The 3Q21 pre-tax profit for the Segment continued affected by the escalation in the raw material prices which could not be recovered through higher selling price.

The Hospitality Segment's performance continued impacted by the consequences of the movement restrictions in 3Q21. The Hotels Division recorded a decrease in revenue by 77% to RM1.7 million and widened its pre-tax loss by 40% to RM6.6 million mainly due to the low occupancy rate as a result from NRP that restrict the inter-district and inter-State travels unlike 3Q20. Vacation Club Division recorded a slight decrease in revenue by 6% to RM4.2 million but an increase in pre-tax profit by 22% to RM0.7 million mainly due to lower operating expenses as a result of lesser promotion events as well as lower interest incurred in 3Q21 compared to 3Q20.

The Capital Financing Division's revenue increased 21% to RM24.9 million and pre-tax profit increased 15% to RM14.4 million in 3Q21 mainly due to net interest income generated from the higher loan portfolio in the quarter under review.

The Investment Holding Division recorded a pre-tax profit of RM59.1 million in 3Q21. The pre-tax profit was mainly derived from share of profit in RHB of RM61.9 million in 3Q21 compared with RM60.6 million in 3Q20 to the Group.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

B2. Commentary on pre-tax profit for current quarter compared with immediate preceding quarter

The Group's review of financial performance is analysed as follows:

	Current quarter ended 30.9.2021 3Q21	Immediate preceding quarter ended 30.6.2021 2Q21 (Restated)	change %
	RM'000	RM'000	
<u>Revenue</u>			
1. Property	134,135	173,493	(23%)
<i>Construction revenue</i>	<i>11,423</i>	<i>26,783</i>	<i>(57%)</i>
<i>Inter-segment revenue</i>	<i>(11,423)</i>	<i>(26,782)</i>	<i>57%</i>
2. Construction	-	1	(100%)
3. Industries	42,424	47,654	(11%)
4. Hospitality	5,961	6,501	(8%)
5. Financial Services & Investment Holding	36,842	39,562	(7%)
Revenue	219,362	267,211	(18%)
<u>Pre-tax profit/(loss)</u>			
1. Property	21,454	42,528	(50%)
2. Construction	(484)	1,232	(>100%)
3. Industries	669	1,130	(41%)
4. Hospitality	(5,941)	(5,788)	(3%)
5. Financial Services & Investment Holding	73,495	80,306	(8%)
Pre-tax profit	89,193	119,408	(25%)
Comprised of:			
Pre-tax profit from the business	28,886	27,862	4%
Share of results of associates and a joint venture	60,307	91,546	(34%)
Pre-tax profit	89,193	119,408	(25%)

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

Current Quarter ("3Q21") compared with Immediate Preceding Quarter ("2Q21")

The Group's revenue dipped 18% to RM219.4 million in 3Q21 mainly due to lower revenue generated from all business segments due to the implementation of MCO. All the States where the Group has business operations were in Phase 1 and 2 of the NRP during the quarter, thus restricted the level of activities that could be carried out resulted in lower productivity. Consequently, pre-tax profit decreased 25% to RM89.2 million in 3Q21 as compared with immediate preceding quarter ended 2Q21.

The Property Segment recorded a decrease in revenue and pre-tax profit by 23% to RM134.1 million and 50% to RM21.5 million respectively in 3Q21 compared with 2Q21. The decline in revenue recognised during the period was due to lower progress billings to the purchasers as a result of lower construction activities at one of the on-going development project due to the MCO. The significant decline in pre-tax profit during the quarter were mainly due to the absence of a profit recognised from the sale of retail podium in MSQ in 2Q21. The extended lockdowns in Australia have impacted the sales and settlement of the residential units in 3Q21.

The Property Investment Division, granted higher rental concession to the affected tenants at our retail mall in 3Q21 as compared to 2Q21 as the MCO and the NRP were extended and covered a substantial period in 3Q21. In addition, the retail mall saw a decline in the average occupancy rate by about 1% in 3Q21 as compared with the preceding quarter. As a result of the foregoing, Property Investment Division recorded a loss of RM0.5 million in 3Q21.

For Construction Segment, the project progress was affected by the implementation of MCO during the NRP phases since June 2021 where construction works were limited for some sites. Hence, the progress billings on work done in 3Q21 was comparatively lower than 2Q21 for all the internal projects undertaken. The Division reported a pre-tax loss of RM0.5 million in 3Q21 compared with a pre-tax profit of RM1.2 million in 2Q21.

The Industries Segment posted a decline in revenue by 11% to RM42.4 million in 3Q21. Despite higher delivery of wall panels by Acotec, the overall performance of the Segment showed a decline as a result of temporary closure of the cable factory due to the COVID-19 infections. The temporary closure has resulted in disruption of sales and delivery activities resulting in a significant drop in revenue of the Cable Division during 3Q21. This Segment recorded a pre-tax profit of RM0.7 million in 3Q21 after a reversal of impairment loss of RM0.4 million.

The performance of Hospitality Segment in both 3Q21 and 2Q21 were relatively close with pre-tax loss of RM5.9 million. The Hospitality businesses continued affected by the conditions imposed under NRP where inter-district and inter-State travels for leisure were banned, limiting the exposure to domestic holiday makers.

The Capital Financing Division under Financial Service Segment recorded a slight increase in revenue by 1% to RM24.9 million and pre-tax profit by 2% to RM14.4 million on the back of higher interest income revenue derived from the higher average monthly loan portfolio in 3Q21. The outstanding loan book expanded to RM1.1 billion at the end of 3Q21 compared with RM945.7 million at the end of 2Q21. In addition, the improvement in pre-tax profit for 3Q21 was partly due to lower impairment loss of RM48,000 compared with a net impairment loss of RM0.7 million recorded in 2Q21.

The Investment Holding Division reported a decrease in pre-tax profit by 11% to RM59.1 million in 3Q21 compared with the immediate preceding quarter mainly due to lower profit being recorded by RHB which contributed a profit of RM61.9 million in 3Q21 compared with RM68.4 million in 2Q21.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

(a) Prospects for the remaining year 2021 ("FY21")

At the time of this report, all States are already in Phase 3 and 4 of the NRP and the vaccination rate of the adult population in the country has surpassed 95%. All the employees of the Group have also been vaccinated to ensure their safety and ability to perform their duties. In managing the Group's operations, the Management is committed to ensure that all business divisions continue to comply strictly to the Standard Operating Procedures ("SOPs") imposed by the Government and adhere to the Group's business continuity plan. With the reopening of inter-State and inter-districts travels, economic activities are expected to pick-up in the coming months especially for the retail and hospitality industry.

The performance of the Property Division will continue to be supported by the recognition of revenue from progress billings of those properties sold from on-going projects. The Division launched Mira at Shorea Park Puchong in August 2021 and has recorded commendable sales progress. Pipeline projects, which includes Lea by the Hills in Melawati and Phase 8B in Iringan Bayu, and the existing on-going projects will provide a sustainable revenue stream for the Division.

In Australia, the construction of Phase 1 residential was fully completed in early 2020 and sale of the retail podium was completed with the settlement received in May 2021. We will continue to focus on selling the balance of the completed residential units in MSQ for the remaining of the financial year.

As at 30 September 2021, the Group has effective unbilled sales of RM0.7 billion with minimal unsold completed stocks. The Group has land bank measured at 2,076 acres with an estimated effective GDV of RM14.0 billion that are strategically located in the Klang Valley, Sungai Petani, Butterworth, Kuantan, Seremban and Melbourne, Australia. The Property Development Division will remain a key contributor to the performance of the Group for the remaining FY21.

As at 30 September 2021, the occupancies of Atria Shopping Gallery, Plaza OSK and Faber Towers stood at 90%, 93% and 70% respectively. While the tenancy at the offices building remained fairly stable, the ability to defend the net property income and occupancy in the retail mall remain challenging. We expect footfall to the mall to improve in near future due to the reopening of business activities and the forthcoming year-end holiday.

The Construction Segment will continue to deliver its current outstanding order book of RM263.4 million as at 30 September 2021 and targets to replenish new orders from the projects launched by the Property Development Division. This Segment will continue to focus on the Group's internal projects and strive to ensure that our projects are of good quality and optimising the development cost, while ensuring timely delivery.

The Industries Segment continues to tap on the private and public sector projects undertaken by its existing customers. The Segment will continue to focus on expanding its customer base via sales and marketing strategies including new product offerings and continuous research and development to improve its existing products. The Division's profit contribution is dependent on the recovery of the property development market.

The recent reopening of inter-State travel for fully vaccinated adults has shown signs of improvement in hotels room occupancy. Swiss-Garden Hotel & Residences Genting Highlands and Swiss-Garden Beach Resort Kuantan are opened to receive domestic holiday makers and have received an increased convention and rooms reservations. The pent-up demand for local vacations is expected to continue for the rest of the year as the international border remained closed. Swiss-Garden Beach Resort Damai Laut will remain closed for renovation due to the rebranding exercise. The reopening of Swiss-Inn Johor Bahru towards the end of FY21 is expected to contribute positively to the performance of the Division moving forward.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

B3. Commentary on remaining year prospects and progress on previously announced revenue or profit forecast (Cont'd)

(a) Prospects for the remaining year 2021 ("FY21") (Cont'd)

Apart from the revenue from its existing members and sale of long-term memberships, SGI Vacation Club has marketed new and affordable products which has received satisfactory response. SGI Vacation Club is expected to perform fairly consistently for the rest of the year.

The performance of the Financial Services and Investment Holding Segment is dependent on the performance of RHB Group and the new loan disbursement to be made by the Capital Financing Division. Given the challenging economic environment, Capital Financing Division will continue with its business expansion as planned, adopt prudent risk management strategy in approving new loans and review the existing loan portfolio quality including the value of its collaterals to manage non-performing loans.

As the nation achieved high percentage of fully vaccinated population, it is anticipated that the economic recovery to be strong in the coming months. Barring any unforeseen circumstances, the Group is expected to continue to perform satisfactorily for the remaining FY21.

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

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

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

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 30.9.2021 RM'000	Current year to date ended 30.9.2021 RM'000
In respect of the current year income tax	(12,025)	(37,209)
Under provision of income tax in respect of prior years	(15)	(20)
Deferred income tax	3,185	3,543
Income tax expense	<u>(8,855)</u>	<u>(33,686)</u>

Excluding share of results of associates 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 subsidiaries that are not available to offset against taxable profits in other subsidiaries within the Group.

B7. Status of corporate proposals and utilisation of proceeds

As at 23 November 2021 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report):

(a) Status of corporate proposal announced but not completed

There were no corporate proposals announced but not completed.

(b) Status of utilisation of proceeds raised from any corporate proposal

There were no proceeds raised from any corporate proposal.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

(a) The Group's borrowings and debt securities at end of the current year to date

	Non-current		Current		Total
	USD'000	RM'000	USD'000	RM'000	RM'000
As at 30.9.2021					
Secured					
Bankers' acceptances - MYR	-	-	-	14,600	14,600
Medium term notes and Sukuk - MYR (Note A5)	-	1,617,697	-	69,889	1,687,586
Revolving credits - MYR	-	-	-	122,510	122,510
Term/Bridging - MYR	-	145,217	-	3,214	148,431
Term loan - USD (1 : 4.1880) #	36,000	136,066	-	14,702	150,768
		<u>1,898,980</u>		<u>224,915</u>	<u>2,123,895</u>
Unsecured					
Revolving credits - MYR	-	-	-	626,845	626,845
		-		<u>626,845</u>	<u>626,845</u>
Total		<u>1,898,980</u>		<u>851,760</u>	<u>2,750,740</u>
As at 31.12.2020					
Secured					
Bankers' acceptances - MYR	-	-	-	12,050	12,050
Medium term notes and Sukuk - MYR (Note A5)	-	1,202,884	-	38,885	1,241,769
Revolving credits - MYR	-	-	-	131,520	131,520
Term/Bridging - MYR	-	156,889	-	15,504	172,393
Term loan - USD (1 : 4.0130) #	36,000	144,468	-	-	144,468
		<u>1,504,241</u>		<u>197,959</u>	<u>1,702,200</u>
Unsecured					
Revolving credits - MYR	-	-	-	694,797	694,797
		-		<u>694,797</u>	<u>694,797</u>
Total		<u>1,504,241</u>		<u>892,756</u>	<u>2,396,997</u>

The details of MTNs and Sukuk are disclosed in Note A5(b) to (e).

As disclosed in Note B14, a cross-currency interest rate swap is formalised to hedge the forex exchange, changes in forex is accounted for in Statement of Comprehensive Income. Upon expiring of such CCIRS, such changes will be reversed accordingly.

(b) Commentaries on the Group borrowings and debt securities

- (i) During the period, there were no material changes in debt securities other than the changes for working capital requirements. The details of MTNs and Sukuk are disclosed in Note A5(b) to (e).
- (ii) The increase in the borrowings was for working capital purpose.
- (iii) Borrowing of USD36.0 million has been hedged to MYR via USD/MYR cross currency interest rate swap transaction and the contracted USD/MYR forex rate was 4.0840.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

B9. Changes in material litigation

Since the date of the last annual report, the Group is not engaged in any material litigation which might materially and adversely affect the financial position of the Group.

B10. Dividends declaration for the current year to date

	Current year to date ended	Preceding year to date ended
	30.9.2021	30.9.2020
(a) Dividend payable / paid single-tier interim to the dividend per share (RM'000)	20,621	20,708
Single-tier interim dividend per share	1.0 sen	1.0 sen
Number of ordinary share on which dividend was declared ('000)	2,062,104	2,070,814
Date of payment after end of current quarter	30.9.2021	8.10.2020
(b) Total dividend for the current year to date per share (sen)	1.0	1.0

B11. Earnings Per Share ("EPS")

	Current quarter ended	Comparative quarter ended (Restated)	Current year to date ended	Preceding year to date ended (Restated)
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
Profit attributable to Owners of the Company (RM'000)	79,888	107,145	299,911	244,133
Weighted average number of ordinary shares outstanding ('000)	2,062,104	2,046,327	2,062,104	2,070,858
Basic / Diluted EPS (sen)	3.87	5.24	14.54	11.79

There are no potential issuance of ordinary shares or instruments that are dilutive in nature at the end of the current year to date.

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.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

	Current quarter ended 30.9.2021	Comparative quarter ended 30.9.2020 (Restated)	Current year to date ended 30.9.2021	Preceding year to date ended 30.9.2020 (Restated)
Profit before tax is arrived at after crediting/(charging):	RM'000	RM'000	RM'000	RM'000
(i) <u>Revenue</u>				
Interest income	22,286	18,366	63,763	56,514
Rental income	6,653	8,152	23,749	26,734
(ii) <u>Cost of sales</u>				
Funding costs	(7,150)	(5,731)	(19,893)	(20,040)
(iii) <u>Other income</u>				
Funds distribution income	3,066	1,271	6,102	5,853
Gain on disposals of plant and equipment	7	207	44	264
Gain on fair valuation of:				
- biological assets	84	59	523	27
- securities at fair value through profit or loss	-	12	-	-
- short term funds	471	1,970	85	7,193
Foreign currency transactions gains	-	481	3	334
Foreign currency translations gains	-	-	-	48
Interest income	629	2,014	1,270	4,035
Recovery of bad debts of:				
- capital financing	-	-	213	50
- trade and other receivables	-	-	24	3
Rental concession received [Note A1(iii)]	39	-	94	4
Write back of allowance for impairment losses on:				
- trade and other receivables:				
- collective assessment	-	966	23	124
- individual assessment	1,129	2,950	4,909	3,076
(iv) <u>Administrative expenses</u>				
Depreciation and amortisation	(8,701)	(8,697)	(26,602)	(26,299)
(v) <u>Other items of expense</u>				
Impairment loss on:				
- capital financing:				
- collective assessment	-	-	-	(10)
- individual assessment	(48)	-	(762)	-
- trade and other receivables:				
- collective assessment	(564)	-	(1,227)	(2,149)
- individual assessment	(397)	(5,345)	(2,770)	(10,827)
Loss on fair valuation of:				
- securities at fair value through profit or loss	-	-	(21)	(76)
- short term funds	-	-	(3,090)	-

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

B13. Items included in the Statement of Profit or Loss and Statement of Comprehensive Income (Cont'd)

	Current quarter ended 30.9.2021	Comparative quarter ended 30.9.2020 (Restated)	Current year to date ended 30.9.2021	Preceding year to date ended 30.9.2020 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after crediting/(charging): (Cont'd)				
(v) <u>Other items of expense (Cont'd)</u>				
Foreign currency transactions loss	(63)	-	-	-
Foreign currency translations loss	(44)	(402)	(44)	(418)
Write off of:				
- bad debts on trade and other receivables	-	-	(38)	(4)
- plant and equipment	-	(1)	(708)	(1)
(vi) <u>Finance costs</u>				
Interest expense	(10,261)	(11,282)	(33,351)	(39,036)

Items for other comprehensive income are disclosed in the Statement of Comprehensive Income. There were no impairment of assets other than items disclosed above.

B14. Derivative financial instruments

Type of Derivative	Note	Contract / Notional Amount RM'000	Carrying Amount at Fair Value RM'000	Cash Flow Hedge Reserve RM'000
As at 30.9.2021				
Cross-currency interest rate swap ("CCIRS") contract - 1 year to 3 years	B8(a)	147,024	-	(1,778)

The cross-currency interest rate swap has been entered into in order to operationally hedge the borrowings denominated in United States Dollar ("USD") and floating monthly interest payments on borrowing that would mature on 30 January 2023. 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 Statement of Comprehensive Income and the ineffective portion is recognised in profit or loss. Upon expiring of such CCIRS, the changes accounted for in Other Comprehensive Income will be reversed accordingly.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2021

B15. Gains or losses arise from fair value changes of financial liabilities

There were no gains or losses arising from fair value changes of financial liabilities for the current year to date ended 30 September 2021.

By Order of the Board

Tan Sri Ong Leong Huat
Executive Chairman
Kuala Lumpur
30 November 2021