

QUARTERLY REPORT FOR THE THIRD QUARTER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Current quarter ended 30.9.2022 RM'000	Comparative quarter ended 30.9.2021 RM'000	Current year to date ended 30.9.2022 RM'000	Preceding year to date ended 30.9.2021 RM'000
Revenue	347,070	219,362	988,188	811,534
Cost of sales	(240,792)	(144,375)	(680,880)	(564,285)
Gross profit	106,278	74,987	307,308	247,249
Other income	7,349	5,555	19,907	18,390
Administrative expenses	(51,420)	(40,197)	(141,219)	(118,069)
Other expenses	(1,447)	(1,198)	(7,817)	(8,965)
	60,760	39,147	178,179	138,605
Finance costs	(9,580)	(10,261)	(29,977)	(33,351)
	51,180	28,886	148,202	105,254
Share of results of associates and a joint venture, net of tax	80,214	60,307	205,091	231,001
Profit before tax	131,394	89,193	353,293	336,255
Tax expense	(17,175)	(8,855)	(45,603)	(33,686)
Profit after tax	114,219	80,338	307,690	302,569
Profit attributable to:				
Owners of the Company	113,368	79,888	305,865	299,911
Non-controlling interests	851	450	1,825	2,658
	114,219	80,338	307,690	302,569
Earnings per share attributable to Owners of the Company (sen):				
Basic / Diluted	5.50	3.87	14.83	14.54

(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 2021)

QUARTERLY REPORT FOR THE THIRD QUARTER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Current quarter ended 30.9.2022	Comparative quarter ended 30.9.2021	Current year to date ended 30.9.2022	Preceding year to date ended 30.9.2021
	RM'000	RM'000	RM'000	RM'000
Profit after tax	114,219	80,338	307,690	302,569
Other comprehensive (expenses)/income for the period, net of tax				
Items of other comprehensive (expenses)/income:				
(a) Will be reclassified subsequently to profit or loss when specific conditions are met:				
- Fair value (loss)/gain on cash flow hedge	(346)	817	903	1,679
- Foreign currency translation loss	(4,941)	(18,326)	(3,301)	(13,084)
	(5,287)	(17,509)	(2,398)	(11,405)
Share of other comprehensive income/ (expenses) and reserves of associates accounted for using equity method:				
(a) Item that will not be reclassified subsequently to profit or loss:				
- Fair values through other comprehensive income ("FVTOCI") and other reserves	209	(2,131)	(1,821)	481
(b) Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
- Foreign currency translation reserves	11,852	(1,100)	23,038	6,009
- FVTOCI and other reserves	(20,630)	(27,062)	(144,710)	(119,536)
	(8,569)	(30,293)	(123,493)	(113,046)
Total other comprehensive expenses for the period, net of tax	(13,856)	(47,802)	(125,891)	(124,451)
Total comprehensive income	100,363	32,536	181,799	178,118
Total comprehensive income/(expenses) attributable to:				
Owners of the Company	99,646	32,583	180,064	175,815
Non-controlling interests	717	(47)	1,735	2,303
	100,363	32,536	181,799	178,118

(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 2021)

QUARTERLY REPORT FOR THE THIRD QUARTER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	Note	As at <u>30.9.2022</u> RM'000	As at 31.12.2021 RM'000
Assets:			
Non-current			
Property, plant and equipment		570,313	564,251
Investment properties		481,612	476,318
Investments in associates and a joint venture		3,919,731	3,919,623
Intangible assets		2,567	2,579
Right-of-use assets		51,628	62,258
Inventories		1,448,445	1,514,701
Deferred tax assets		75,521	69,568
Capital financing		210,269	291,657
Trade receivables		24,845	22,926
Other assets		1,036	2,428
Derivative asset	B14	-	1,926
		<u>6,785,967</u>	<u>6,928,235</u>
Current			
Inventories		306,336	322,817
Capital financing		928,315	688,127
Trade receivables		203,683	212,909
Other assets		41,364	26,788
Contract assets		250,248	185,621
Derivative asset	B14	17,564	-
Biological assets		349	524
Tax recoverable		17,788	18,972
Securities at fair value through profit or loss		188	227
Cash, bank balances and short-term funds		667,221	831,733
		<u>2,433,056</u>	<u>2,287,718</u>
Total Assets		<u>9,219,023</u>	<u>9,215,953</u>

QUARTERLY REPORT FOR THE THIRD QUARTER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022 (CONT'D)**

	Note	As at 30.9.2022 RM'000	As at 31.12.2021 RM'000
Liabilities:			
Non-current			
Borrowings	A5(b),(c),(d),B8(a)	1,611,561	1,870,380
Trade payables		18,817	16,748
Other liabilities		29,570	30,467
Contract liabilities and deferred income		77,585	86,906
Lease liabilities		443	1,210
Deferred tax liabilities		90,901	99,236
		1,828,877	2,104,947
Current			
Borrowings	A5(b),(c),(d),B8(a)	1,085,490	880,737
Trade payables		91,590	76,371
Other liabilities		520,515	559,117
Contract liabilities and deferred income		18,656	23,520
Lease liabilities		3,202	13,302
Tax payable		35,522	18,116
		1,754,975	1,571,163
Total Liabilities		3,583,852	3,676,110
Net Assets		5,635,171	5,539,843
Equity:			
Share capital		2,095,311	2,095,311
Treasury shares, at cost	A5(a)	(43,226)	(43,226)
		2,052,085	2,052,085
Reserves		3,513,808	3,415,955
Issued capital and reserves attributable to Owners of the Company		5,565,893	5,468,040
Non-controlling interests		69,278	71,803
Total Equity		5,635,171	5,539,843
Net Assets per share attributable to Owners of the Company (RM)		2.70	2.65
Number of outstanding ordinary shares in issue ('000)		2,062,104	2,062,104

(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 2021)

QUARTERLY REPORT FOR THE THIRD QUARTER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

Note	Attributable to Owners of the Company							Total issued share capital and reserves	Non-controlling interests	Total equity
	Share capital	Treasury shares	Revaluation reserve	Foreign currency translation reserves	Hedging reserve	Other reserves	Retained profits			
	[Note A5(a)]									
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1.1.2022	2,095,311	(43,226)	63,451	13,702	(1,386)	24,120	3,316,068	5,468,040	71,803	5,539,843
Profit after tax	-	-	-	-	-	-	305,865	305,865	1,825	307,690
Fair value gain on cash flow hedge	-	-	-	-	903	-	-	903	-	903
Foreign currency translation loss	-	-	-	(3,211)	-	-	-	(3,211)	(90)	(3,301)
Share of other comprehensive income/(expenses) and reserves of associates accounted for using equity method:										
- Foreign currency translation reserves	-	-	-	23,038	-	-	-	23,038	-	23,038
- FVTOCI and other reserves	-	-	-	-	-	(146,531)	-	(146,531)	-	(146,531)
Other comprehensive income/(expenses)	-	-	-	19,827	903	(146,531)	-	(125,801)	(90)	(125,891)
Total comprehensive income/(expenses)	-	-	-	19,827	903	(146,531)	305,865	180,064	1,735	181,799
Dividends paid to:										
- Owners of the Company	-	-	-	-	-	-	(82,484)	(82,484)	-	(82,484)
- Non-controlling interests	-	-	-	-	-	-	-	-	(3,323)	(3,323)
Total distributions to Owners	-	-	-	-	-	-	(82,484)	(82,484)	(3,323)	(85,807)
Acquisitions of additional interests in subsidiaries from non-controlling interests:										
- Dilution of equity interests	-	-	-	-	-	-	-	-	(937)	(937)
- Gain on acquisitions	-	-	-	-	-	-	273	273	-	273
Total changes in ownership interest in subsidiaries	-	-	-	-	-	-	273	273	(937)	(664)
Total transactions with Owners in their capacity as Owners	-	-	-	-	-	-	(82,211)	(82,211)	(4,260)	(86,471)
As at 30.9.2022	2,095,311	(43,226)	63,451	33,529	(483)	(122,411)	3,539,722	5,565,893	69,278	5,635,171

QUARTERLY REPORT FOR THE THIRD QUARTER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 (CONT'D)**

	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	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)	-	-	-	-	-	-	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	-	-	-	-	1,679	-	-	1,679	-	1,679
Foreign currency translation loss	-	-	-	(12,729)	-	-	-	(12,729)	(355)	(13,084)
Share of other comprehensive income/(expenses) and reserves of associates accounted for using equity method:										
- Foreign currency translation reserves	-	-	-	6,009	-	-	-	6,009	-	6,009
- 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	-	-	-	-	-	-	(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	-	-	-	-	-	-	-	-	(3)	(3)
- Gain on acquisitions	-	-	-	-	-	-	2	2	-	2
Issuance of ordinary shares by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	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

(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 2021)

QUARTERLY REPORT FOR THE THIRD QUARTER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Current year to date ended 30.9.2022 RM'000	Preceding year to date ended 30.9.2021 RM'000
Cash Flows From Operating Activities		
Profit before tax	353,293	336,255
Adjustments for:		
Non-cash and non-operating items	5,923	12,311
Share of results of associates and a joint venture	(205,091)	(231,001)
Operating profit before changes in working capital	154,125	117,565
<i>Decrease/(Increase) in:</i>		
Inventories	104,836	51,379
Capital financing	(159,742)	(243,502)
Trade receivables	7,290	28,716
Other assets	(13,184)	22,552
Contract assets	(64,627)	(35,441)
<i>Increase/(Decrease) in:</i>		
Trade payables	17,288	(22,760)
Other liabilities	(44,830)	(3,723)
Contract liabilities and deferred income	(14,185)	(7,646)
<i>Changes in working capital</i>	(167,154)	(210,425)
Cash used in operations	(13,029)	(92,860)
Income tax paid	(41,740)	(35,810)
Income tax refunded	441	1,012
Interest paid	(39,310)	(26,877)
Interest received	70,315	63,763
Net cash used in operating activities	(23,323)	(90,772)
Cash Flows From Investing Activities		
<i>Investment, divestment and income from investments:</i>		
Acquisitions of additional shares in a subsidiary from non-controlling interests	(664)	(1)
Dividends received from securities at fair value through profit or loss	9	-
Investment properties expenditure	(5,293)	(16,214)
Funds distribution income received	3,264	6,102
Interest received	3,418	1,270
Proceeds from disposals of property, plant and equipment	9,370	120
Purchase of:		
- land for property development	-	(151,547)
- property, plant and equipment	(33,233)	(23,371)
- software licences	(307)	(145)
<i>Net investment, divestment and income from investments/ Sub-total carried forward</i>	(23,436)	(183,786)

QUARTERLY REPORT FOR THE THIRD QUARTER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 (CONT'D)**

	Note	Current year to date ended 30.9.2022 RM'000	Preceding year to date ended 30.9.2021 RM'000
Cash Flows From Investing Activities (Cont'd)			
<i>Sub-total brought forward</i>		(23,436)	(183,786)
<i>Dividends and capital repayment:</i>			
Capital repayment from an associate		-	65,279
Dividends received from associates		78,257	40,617
<i>Net dealings with associates</i>		78,257	105,896
Net cash from/(used in) investing activities		54,821	(77,890)
Cash Flows From Financing Activities			
<i>Funding in business:</i>			
Expenses incurred on borrowings		(749)	(2,789)
<i>Drawdowns/(Repayments):</i>			
Proceeds from:			
- issuance of medium term notes and Sukuk	A5(b)(ii),(d)(i),(ii)	-	798,000
- drawdown of term and bridging		20,380	19,575
Redemptions/Repayments of:			
- medium term notes and Sukuk	A5(b)(i),(iii),(c)(i),(ii)	(35,918)	(352,825)
- term and bridging		(94,765)	(40,987)
- revolving credits - net		41,836	(76,962)
<i>Net (repayments)/drawdowns</i>		(68,467)	346,801
Interest paid		(27,515)	(26,196)
Payment of lease liabilities		(13,429)	(12,500)
<i>Dividends and share proceeds:</i>			
Dividend paid to:			
- Owners of the Company	A6	(82,484)	(82,484)
- non-controlling interests		(3,323)	(2,929)
Proceeds from:			
- issuance of shares to non-controlling interests		-	530
<i>Net dealing with Owners</i>		(85,807)	(84,883)
Net cash (used in)/from financing activities		(195,967)	220,433
Net (decrease)/increase in cash and cash equivalents		(164,469)	51,771
Effects of exchange rate changes		(43)	(560)
Cash and cash equivalents at beginning of the period		831,733	662,702
Cash and cash equivalents at end of the period, comprised cash, bank balances and short-term funds		667,221	713,913

(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 2021)

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

Explanatory notes to Quarterly Report for the current year to date ended 30 September 2022

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 2021 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 2021.

The 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 2021 except for adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRSs"), which are effective for the Group's financial year beginning on 1 January 2022:

- (i) Amendments to MFRS 3 'Business Combination - Reference to the Conceptual Framework'
- (ii) Amendments to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of Fulfilling a Contract
- (iii) Amendments to MFRS 116 'Property, Plant and Equipment - Proceeds before Intended Use'
- (iv) Annual improvements to MFRS Standards 2018-2020:
 - (1) Amendment to MFRS 9 'Financial Instruments'
 - (2) Amendment to Illustrative Examples accompanying MFRS 16 'Leases'
 - (3) Amendment to MFRS 141 'Agriculture'

The adoption of these amendments to MFRSs do not have any significant financial impact on the financial statements of the Group for the current quarter.

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.

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

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

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.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

On 9 March 2018, OSK I CM Sdn. Bhd. ("OSKICM"), a wholly-owned subsidiary of the Company, lodged Sukuk 1 with Securities Commission Malaysia ("SC"). On 20 April 2018, OSKICM lodged MTN2 and re-logged 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, tradable and transferable 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 ("TRA") 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.

On 17 June 2022 and 30 June 2022, OSKICM redeemed RM3.9 million and RM2.1 million of Tranche 1 and Tranche 2, respectively. Since first issuance on 30 April 2018, the total amount redeemed in respect of Tranche 1 and Tranche 2 of MTN2 amounted to RM200.6 million and RM173.3 million respectively. As at 30 September 2022, the outstanding amount of Tranche 1 and Tranche 2 of MTN2 stood at RM49.4 million and RM26.7 million respectively.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

(b) Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN2") for the issuance of medium term notes and Sukuk with a combined limit of up to RM1.8 billion in nominal value, guaranteed by the Company (Cont'd)

(i) Tranche 1 and Tranche 2 of MTN2 (Cont'd)

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).

(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 a piece of land for development, which includes reimbursement and other related expenses.

There was no redemption since the first issuance date. As at 30 September 2022, 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 Debt Service Reserve Account ("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 Tranche 2 of Sukuk 1 of RM93.0 million with maturities commencing from year 2021 to 2024 and redeemable every 3 months commencing 36 months after the first issuance date. Proceeds from Tranche 2 of Sukuk 1 were utilised to finance the acquisition of a piece of land for development.

On 21 January 2022, 22 April 2022 and 22 July 2022, OSKICM redeemed RM6.0 million, RM7.0 million and RM7.0 million of Tranche 2 of Sukuk 1 respectively. Since first issuance on 23 July 2018, the total amount redeemed in respect of Tranche 2 of Sukuk 1 amounted to RM32.0 million. As at 30 September 2022, the outstanding amount of Tranche 2 of Sukuk 1 stood at RM61.0 million.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

(b) Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN2") for the issuance of medium term notes and Sukuk with a combined limit of up to RM1.8 billion in nominal value, guaranteed by the Company (Cont'd)

(iii) Tranche 2 of Sukuk 1 (Cont'd)

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.

(iv) Tranche 4 of Sukuk 1

On 9 November 2021, OSKICM issued Tranche 4 of Sukuk 1 of RM132.0 million with maturities commencing from year 2024 to 2028 and redeemable every 3 months commencing 36 months after the first issuance date. Proceeds from Tranche 4 of Sukuk 1 were utilised to finance the acquisition of a piece of land for development which includes reimbursement and other related expenses.

There was no redemption since first issuance date. As at 30 September 2022, the outstanding amount of Tranche 4 of Sukuk 1 stood at RM132.0 million.

The Tranche 4 of Sukuk 1 is secured by:

- (1) all its rights, titles, interests and benefits in and under the FSRA for Tranche 4 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 TRA for Tranche 4 maintained by OSKICM and all monies from time to time standing to the credit thereto;
- (3) all its rights, titles, interests and benefits in and under the Operating Account for Tranche 4 maintained by Mori Park Sdn. Bhd. ("MPSB"), 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;
- (4) a FSRA, maintained by OSKICM, of a minimum amount equivalent to one periodic profit payment; and
- (5) a piece of land owned by MPSB and all its present and future assets of MPSB.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

(c) Medium Term Note Programme ("MTN3") for the issuance of medium term notes of up to RM980.0 million nominal value in aggregate, guaranteed by the Company

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, tradable and transferable 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 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 and redeemable every 12 months commencing 12 months after the first issuance date. Proceeds from Tranche 1 of MTN3 were utilised for repayment of borrowings of a subsidiary.

On 10 May 2022, OSKICM redeemed RM5.0 million of Tranche 1 of MTN3. Since first issuance on 10 May 2019, the total amount redeemed in respect of Tranche 1 of MTN3 amounted to RM15.0 million. As at 30 September 2022, the outstanding amount of Tranche 1 of MTN3 stood at RM149.2 million.

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; and
 - (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.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

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

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

The Tranche 1 of MTN3 is secured by: (Cont'd)

- (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 with a tenure of 5 years maturing on 30 September 2024 and 30 January 2025 respectively. Proceeds from both tranches were utilised for working capital requirements.

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 and redeemable every 12 months commencing 12 months after the first issuance date. Proceeds from Tranche 4 of MTN3 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 2022, the outstanding amount of Tranche 2 and Tranche 3 of MTN3 stood at RM100.0 million and RM100.0 million respectively.

On 30 September 2022, OSKICM redeemed RM5.0 million of Tranche 4 of MTN3. Since first issuance on 30 September 2020, the total amount redeemed in respect of Tranche 4 of MTN3 amounted to RM10.0 million. As at 30 September 2022, the outstanding amount of Tranche 4 of MTN3 stood at RM190.0 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.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

- (d) **Islamic Medium Term Notes (Sukuk Murabahah) Programme ("Sukuk-R"), which together with a Multi-Currency Medium Term Notes Programme ("MCMTN-R"), for the issuance of Sukuk-R and MCMTN-R with 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/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/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 TRA with a sum of RM30,000 each in respect of Sukuk-R/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 with a tenure of 5 years maturing on 12 March 2026 at fixed rate of 3.55% per annum. 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 2022, 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 2022, the outstanding amount of Series 2 and Series 3 of Sukuk-R stood at RM373.0 million and RM205.0 million respectively.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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 2022</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) Tranche 1 of MTN2	-	3,857	49,384	-	-	16	} 33
(2) Tranche 2 of MTN2	-	2,061	26,672	-	-	35	
(3) Tranche 3 of MTN2	-	-	100,000	283	-	-	
(4) Tranche 2 of Sukuk 1	-	20,000	60,971	-	1,251	-	} 33
(5) Tranche 4 of Sukuk 1	-	-	132,000	-	373	-	
(6) Tranche 1 of MTN3	-	5,000	149,200	735	-	-	} 32
(7) Tranche 2 of MTN3	-	-	100,000	388	-	-	
(8) Tranche 3 of MTN3	-	-	100,000	388	-	-	
(9) Tranche 4 of MTN3	-	5,000	190,000	536	-	-	} 31
(10) Series 1 of MCMTN-R	-	-	20,000	-	-	-	
(11) Series 1 of Sukuk-R	-	-	100,000	-	-	-	} 31
(12) Series 2 of Sukuk-R	-	-	373,000	-	-	-	
(13) Series 3 of Sukuk-R	-	-	205,000	-	-	-	
	-	35,918	1,606,227	2,330	1,624	51	160
Less: Unamortised issuance expenses			(932)				
			<u>1,605,295</u>				

The interest rates of MTNs and profit rates of Sukuk ranged from 3.29% to 4.52% per annum.

A6. Dividends paid during the current year to date

	<u>Interim</u>	<u>Final</u>	<u>Total</u>
<u>30 September 2022</u>			
For the year ended 31 December		2021	
Amount per share (sen)		4.0	4.0
Dividend paid (RM'000)		82,484	82,484
Number of ordinary share ('000)		2,062,104	
Payment date		13.5.2022	
<u>31 December 2021</u>			
For the year ended 31 December	2021	2020	
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	

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

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

A7. Segmental information

For management purposes, the Group's businesses are organised into five core reportable business segments, based on the nature of the products and services. The executive committee is the chief operating decision maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

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 in Malaysia and Australia.
- (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 divided into three major categories, namely (i) low voltage power cables, (ii) medium voltage power cables and (iii) fire-resistant power cables.
- (ii) Acotec - Manufacturing and sale of Industrialised Building System ("IBS") concrete wall panels.

(d) Hospitality

- (i) Hotels and Resorts - 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 - Capital financing activities include generating interest, fee and related income on loans and financing portfolio in Malaysia and Australia.
- Islamic financing activities include generating profit and fee income on Islamic financing portfolio in Malaysia.
- (ii) Investment Holding and Others - Investing activities and other insignificant business segments including sale of oil palm fresh fruit bunches, interior design, trading of building materials and investments which 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. Inter-segment revenues are eliminated upon consolidation.

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 current year to date, there is no single external customer that makes up ten percent or more of the Group's revenue.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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 30.9.2022						
Revenue						
Total revenue	585,438	87,745	218,480	62,563	561,498	1,515,724
Inter-segment revenue	(3,757)	(87,745)	(4)	(156)	(57,863)	(149,525)
Dividends from:						
- subsidiaries	-	-	-	-	(257,582)	(257,582)
- associates	(15,000)	-	-	-	(105,429)	(120,429)
Revenue from external parties	566,681	-	218,476	62,407	140,624	988,188
Results						
Segment profit/(loss)	95,519	(82)	12,918	2,308	39,990	150,653
Share of results of associates and a joint venture	14,459	-	-	-	190,632	205,091
	109,978	(82)	12,918	2,308	230,622	355,744
Elimination of unrealised profit	-	(933)	-	-	(1,518)	(2,451)
Profit/(Loss) before tax	109,978	(1,015)	12,918	2,308	229,104	353,293
Tax (expense)/income	(26,833)	388	(3,215)	141	(16,084)	(45,603)
Profit/(Loss) after tax	83,145	(627)	9,703	2,449	213,020	307,690
Preceding 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)
Dividends from:						
- 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
(Lower)/Improve of pre-tax performance:						
- in RM'000	(13,026)	(2,185)	9,246	18,724	4,279	17,038
- in %	(11%)	(>100%)	>100%	>100%	2%	5%

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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 30.9.2022						
Assets						
Tangible assets	3,088,204	29,339	228,775	346,829	1,510,269	5,203,416
Intangible assets	89	-	-	-	2,478	2,567
	3,088,293	29,339	228,775	346,829	1,512,747	5,205,983
Investments in associates and a joint venture	572,487	-	-	-	3,347,244	3,919,731
Segment assets	3,660,780	29,339	228,775	346,829	4,859,991	9,125,714
Deferred tax assets and tax recoverable	61,726	1,045	778	22,912	6,848	93,309
Total assets	3,722,506	30,384	229,553	369,741	4,866,839	9,219,023
Liabilities						
Segment liabilities	1,748,631	36,556	56,547	155,528	1,460,167	3,457,429
Deferred tax liabilities and tax payable	97,343	30	9,591	6,121	13,338	126,423
Total liabilities	1,845,974	36,586	66,138	161,649	1,473,505	3,583,852
As at 31.12.2021						
Assets						
Tangible assets	3,198,239	25,663	201,102	334,692	1,445,515	5,205,211
Intangible assets	126	-	-	-	2,453	2,579
	3,198,365	25,663	201,102	334,692	1,447,968	5,207,790
Investments in associates and a joint venture	576,262	-	-	-	3,343,361	3,919,623
Segment assets	3,774,627	25,663	201,102	334,692	4,791,329	9,127,413
Deferred tax assets and tax recoverable	57,040	931	184	22,880	7,505	88,540
Total assets	3,831,667	26,594	201,286	357,572	4,798,834	9,215,953
Liabilities						
Segment liabilities	1,764,780	50,153	37,744	198,251	1,507,830	3,558,758
Deferred tax liabilities and tax payable	91,000	28	8,029	6,224	12,071	117,352
Total liabilities	1,855,780	50,181	45,773	204,475	1,519,901	3,676,110
(Decrease)/Increase in segment assets	(113,847)	3,676	27,673	12,137	68,662	(1,699)
% of (decrease)/increase	(3%)	14%	14%	4%	1%	(<1%)
(Decrease)/Increase in segment liabilities	(16,149)	(13,597)	18,803	(42,723)	(47,663)	(101,329)
% of (decrease)/increase	(<1%)	(27%)	50%	(22%)	(3%)	(3%)

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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>Consolidated</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current year to date ended 30.9.2022			
Revenue	<u>982,665</u>	<u>5,523</u>	<u>988,188</u>
Profit before tax	<u>350,570</u>	<u>2,723</u>	<u>353,293</u>
Preceding year to date ended 30.9.2021			
Revenue	<u>810,997</u>	<u>537</u>	<u>811,534</u>
Profit before tax	<u>298,302</u>	<u>37,953</u>	<u>336,255</u>
As at 30.9.2022			
Non-current assets ^	<u>2,553,550</u>	<u>1,015</u>	<u>2,554,565</u>
As at 31.12.2021			
Non-current assets ^	<u>2,619,005</u>	<u>1,102</u>	<u>2,620,107</u>

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

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

(a) Change of company name in L26 Tower Sdn. Bhd. ("L26 Tower")

On 14 January 2022, L26 Tower, a wholly-owned subsidiary of OSK Property Holdings Berhad ("OSKPH"), which in turn is a subsidiary of the Company changed its name to Mori Park Sdn. Bhd..

(b) Striking off of dormant subsidiaries

- (i) On 23 February 2022, OCC Malaysia Sdn. Bhd. ("OCCM"), a dormant company and wholly-owned subsidiary of OSK Industries Limited, an indirect wholly-owned subsidiary of PJ Development Holdings Berhad ("PJDH"), which in turn is a subsidiary of the Company, had been struck off from the registrar upon the publication of the notice of striking off pursuant to Section 551(1) of the CA2016 in the Gazette. The striking off of OCCM did not have any material financial impact to the Group.
- (ii) On 29 March 2022, PJDC International Sdn. Bhd. ("PJDCI"), a dormant company and wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, had been struck off from the registrar upon the publication of the notice of striking off pursuant to Section 551(1) of the CA2016 in the Gazette. The striking off of PJDCI did not have any material financial impact to the Group.

(c) Newly incorporated subsidiaries

- (i) On 23 May 2022, OSK Fintech Sdn. Bhd., a subsidiary of the Company incorporated a wholly-owned subsidiary, OSK eCapital Sdn. Bhd. with an issued and paid up capital of RM1 comprising of one (1) ordinary share. The principal activity of this company is to operate financing platform to provide Earned Wage Access ("EWA") solution.
- (ii) On 12 July 2022, the Company incorporated a wholly-owned subsidiary, OSK Almal Sdn. Bhd. ("OSK AL") with an issued and paid up capital of RM1 comprising of one (1) ordinary share. The principal activity of this company is provision of Islamic financing services.

On 2 August 2022, the Company subscribed for 1,999,999 new ordinary shares of RM1 each in OSK AL. Accordingly, the issued and paid up share capital of OSK AL increased from RM1 to RM2,000,000. The equity interest in OSK AL remained at 100%.

- (iii) On 13 July 2022, OSKPH, incorporated a wholly-owned subsidiary, OSK Amanjaya Sdn. Bhd. with an issued and paid up capital of RM1 comprising of one (1) ordinary share. The principal activity of this company is property development.
- (iv) On 30 September 2022, the Company incorporated a wholly-owned subsidiary, OSK Mumawal Sdn. Bhd. with an issued and paid up capital of RM1 comprising of one (1) ordinary share. The principal activity of this company is provision of Islamic financing services.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

(d) Subscription of ordinary shares in Damai Laut Golf Resort Sdn. Bhd. ("DLGR") by PJD Hotels Sdn. Bhd. ("PJD Hotels")

On 26 April 2022, PJD Hotels, a wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, subscribed for 54,448,969 new ordinary shares at RM1 each in DLGR. Accordingly, the issued and paid up ordinary share capital of DLGR increased from RM82,217,900 to RM136,666,869. Accordingly, PJD Hotels's equity interests in DLGR increased from 99.39% to 99.63%.

The subscription of shares has the following effects to the Group:

	RM'000
Net liabilities acquired from non-controlling interests	322
Loss on consolidation recognised in statement of changes in equity	(322)
Cash in/(out) flow on subscription of ordinary shares in DLGR	-

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

On 16 June 2022, RHB issued and allotted 69,158,646 new RHB shares at the issue price of RM5.17 per share which was applied to the final dividend in respect of financial year ended 31 December 2021. The dividend entitlement based on shareholdings in RHB was RM105.4 million and the Company had elected partly to receive the dividend in the form of RHB shares through the DRP. As a result, the Company received 8,156,976 new RHB shares and cash of RM63.3 million from RHB.

Accordingly, the Company's equity interests in RHB increased to 10.21% from 10.18%.

(f) Changes in equity interests in 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 448,800 ordinary shares of PJDH for a total amount of RM663,960.

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	(1,259)
Gain on consolidation recognised in statement of changes in equity	595
Cash outflow on acquisitions of additional ordinary shares in PJDH	(664)

The Company's equity interest in PJDH increased to 97.30% from 97.22%.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

On 7 November 2022, RHB issued and allotted 35,296,474 new RHB shares at the issue price of RM4.97 per share which was applied to the interim dividend in respect of financial year ending 31 December 2022. The dividend entitlement based on shareholdings in RHB was RM64.5 million and the Company had elected partly to receive the dividend in the form of RHB shares through the DRP. As a result, the Company received 4,324,673 new RHB shares and cash of RM43.0 million from RHB.

Accordingly, the Company's equity interests in RHB increased to 10.22% from 10.21%.

A10. Commitments

	As at 30.9.2022	As at 31.12.2021
	RM'000	RM'000
(a) Significant unrecognised contractual commitments		
Contracted but not provided for:		
- Acquisition of office equipment, factory equipment and software licences	5,542	2,193
- Professional fee	-	37
- Renovation costs	9,288	21,575
	14,830	23,805
(b) Operating lease commitments - the Group as lessor		
Not later than one year	21,413	18,761
Later than one year and not later than five years	35,335	28,461
Later than five years	75,668	78,833
	132,416	126,055

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.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

A12. Significant related party transactions

<u>Entities</u>	<u>Nature of transactions</u>	Income/(Expenses) Current year to date ended 30.9.2022 RM'000
(a) Associates:		
RHB Asset Management Sdn. Bhd.	- Funds distribution income	2,999
RHB Bank Berhad	- Office rental income	682
	- Interest income	318
	- Interest expense	(15,143)
RHB Islamic Bank Berhad	- Interest expense	(5,080)
Queensbridge Place Pty. Ltd.	- Interest income	<u>1,016</u>
(b) Other related parties:		
Acolia Sdn. Bhd.	- Building material expense	(1,634)
Acotiles Sdn. Bhd.	- Building material expense	(980)
DC Services Sdn. Bhd.	- Insurance premium expense	(245)
Dindings Consolidated Sdn. Bhd.	- Office rental income	486
Dindings Consolidated Sdn. Bhd.	- Office rental expense	(367)
Dindings Life Agency Sdn. Bhd.	- Insurance premium expense	(255)
Raslan Loong, Shen & Eow	- Legal fees expense	(2,020)
Sincere Source Sdn. Bhd.	- Insurance premium expense	(1,374)
Wong Enterprise	- Sale of fresh fruit bunch	<u>1,356</u>

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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.

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 30.9.2022				
Non-financial assets				
Biological assets	-	-	349	349
Investment properties	-	14,921	428,146	443,067
Financial assets				
Securities at fair value through profit or loss	188	-	-	188
Short-term funds	476,718	-	-	476,718
	476,906	14,921	428,495	920,322
As at 31.12.2021				
Non-financial assets				
Biological assets	-	-	524	524
Investment properties	-	14,921	427,646	442,567
Financial assets				
Securities at fair value through profit or loss	227	-	-	227
Short-term funds	512,545	-	-	512,545
	512,772	14,921	428,170	955,863

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 2022

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 2022

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

	Current quarter ended 30.9.2022 3Q22 RM'000	Comparative quarter ended 30.9.2021 3Q21 RM'000	change %	Current year to date ended 30.9.2022 9M22 RM'000	Preceding year to date ended 30.9.2021 9M21 RM'000	change %
Revenue						
1. Property	199,582	134,135	49%	566,681	529,011	7%
<i>Construction revenue</i>	30,150	11,423	164%	87,745	80,709	9%
<i>Inter-segment revenue</i>	(30,150)	(11,423)	(164%)	(87,745)	(79,383)	(11%)
2. Construction	-	-	-	-	1,326	(100%)
3. Industries	77,111	42,424	82%	218,476	143,515	52%
4. Hospitality	24,090	5,961	>100%	62,407	20,585	>100%
5. Financial Services & Investment Holding	46,287	36,842	26%	140,624	117,097	20%
Revenue	347,070	219,362	58%	988,188	811,534	22%
Pre-tax profit/(loss)						
1. Property	42,251	21,454	97%	109,978	123,004	(11%)
2. Construction	146	(484)	>100%	(1,015)	1,170	(>100%)
3. Industries	2,357	669	>100%	12,918	3,672	>100%
4. Hospitality	830	(5,941)	>100%	2,308	(16,416)	>100%
5. Financial Services & Investment Holding	85,810	73,495	17%	229,104	224,825	2%
Pre-tax profit	131,394	89,193	47%	353,293	336,255	5%
Comprised of:						
Pre-tax profit from the business	51,180	28,886	77%	148,202	105,254	41%
Share of results of associates and a joint venture	80,214	60,307	33%	205,091	231,001	(11%)
Pre-tax profit	131,394	89,193	47%	353,293	336,255	5%

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

B1. Performance analysis of the Group for the current quarter and current year to date ended 30 September 2022 (Cont'd)

(a) Current Quarter ("3Q22") compared with Comparative Quarter of Preceding Year ("3Q21")

The Group posted a 47% increase in pre-tax profit for the 3Q22 to RM131.4 million, on the back of a 58% increase in revenue to RM347.1 million compared with the comparative quarter of the previous year. During the quarter under review, all business segments have shown improved performance led by the Property Segment and Financial Services Division. We wish to highlight that the Hotels and Resorts Division under Hospitality Segment has rebounded to report a pre-tax profit position compared to a loss position in previous years.

The Property Development Division's pre-tax profit for the 3Q22 improved by 90% to RM41.6 million compared to a year ago, underpinned by the high take-up rate and construction progress of the ongoing projects, i.e. Shorea Park, YouCity III, Bandar Puteri Jaya and Iringan Bayu. The joint venture projects contributed a share of profits of RM11.0 million in 3Q22 as compared to the share of losses of RM1.0 million in 3Q21 as there were more apartment units sold and settled at Melbourne Square ("MSQ") and cost savings from the finalisation of the completed project at Agile-Mont Kiara.

The Property Investment Division recorded revenue of RM7.5 million (3Q21: RM6.2 million) during the quarter under review as the occupancy rate stabilised across the Group's investment properties and the Division returned to pre-tax profit of RM0.6 million (3Q21: pre-tax loss of RM0.5 million) due to better debtors management which resulted in write back of provision for doubtful debts during the quarter under review.

The Construction Segment recorded revenue of RM30.2 million and a pre-tax profit of RM0.1 million in 3Q22 compared with revenue of RM11.4 million and a pre-tax loss of RM0.5 million in 3Q21. As the Construction Segment carries out internal projects for the Property Development Division, the profit recognition is in line with the progress billings to the purchasers by the Property Development Division. The pre-tax profit for 3Q22 was mainly attributed to additional profit recognised from the cost finalisation of previously completed projects and progressive profit recognition of the on-going projects.

The Industries Segment's pre-tax profit improved more than three-fold to RM2.4 million in 3Q22 from RM0.7 million in 3Q21, underpinned by stronger sales from both Cables and IBS Divisions to RM77.1 million in 3Q22 from RM42.4 million in 3Q21 as the factories were fully operational during the current quarter under review. The significant improvement was mainly due to higher production and deliveries to customers, and profit margin improvement as a result of the stabilised raw material prices in 3Q22 as compared with the escalation in the raw material prices in the same period a year ago.

Under the Hospitality Segment, the Hotels and Resorts Division rebounded to a pre-tax profit in 3Q22 of RM0.8 million from a pre-tax loss of RM5.9 million in 3Q21 on the back of 4 times improvement in revenue to RM24.1 million during the quarter under review. The occupancy and room rates across all hotels under the Group have recorded significant improvement mainly boosted by the reopening of all economic activities and pent-up demand for local tourism and meeting and convention events.

The Capital Financing Division's pre-tax profit for 3Q22 rose 6% to RM15.3 million from RM14.4 million a year ago mainly due to higher interest/profit income derived from the increased loan portfolio during the quarter under review.

The Investment Holding Division contributed a pre-tax profit of RM70.5 million in 3Q22, up 19% as compared to a year ago. The higher pre-tax profit was mainly contributed by RHB Group of RM69.3 million in 3Q22 (3Q21: RM61.9 million).

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

B1. Performance analysis of the Group for the current quarter and current year to date ended 30 September 2022 (Cont'd)

(b) Current Year To Date ("9M22") compared with Preceding Year To Date ("9M21")

Overall, the Group's revenue increased 22% to RM988.2 million and pre-tax profit improved 5% to RM353.3 million in 9M22 as compared with the same period a year ago. All the business segments recorded an improved pre-tax performance except for the Property Segment which contributed lower pre-tax profit due to the absence of profit on the sale of the retail podium in MSQ recorded in 9M21.

The Property Development Division's revenue rose by 7% to RM544.5 million and pre-tax profit declined by 12% to RM107.3 million in 9M22 as compared with 9M21. The decline in pre-tax profit was mainly due to a lower share of profit from joint venture projects. The share of profits from MSQ was lower at RM4.2 million in 9M22 compared with RM38.4 million in 9M21. In 9M21, MSQ recognised the profit from the sale of the retail podium over and above the gain from the sale and settlement of the residential units. The lower share of profit from MSQ during the period 9M22 was cushioned by Agile-Mont Kiara which contributed a profit of RM11.0 million (9M21: RM0.1 million) due to the reversal of costs accrued which were no longer necessary. The local property development projects which were launched in the last 12 months have reached high take-up rates and have achieved construction progress that provided a consistent recognition of profit for the current year, replacing the shortfall of revenue from those projects completed in 2021. On the other hand, the Property Investment Division continue to generate stable rental revenue from its office buildings and retail with a higher pre-tax profit recorded in 9M22 mainly due to the write back of doubtful debts of RM1.2 million compared with allowance for doubtful debts of RM2.8 million recorded in 9M21. At the same time, operating expenses such as repair and maintenance and utilities increased in 9M22 due to full operation post movement control, thus reduced the impact from the savings from better debt management.

The Construction Segment generated revenue of RM87.7 million and a pre-tax loss of RM1.0 million in 9M22 compared with revenue of RM80.7 million and a pre-tax profit of RM1.2 million in 9M21. The performance of the Construction Segment is dependent on the sales and progress billings to purchasers of the Property Development Division. Despite higher revenue recorded in 9M22, the lower pre-tax result was mainly due to the absence of the external project in 9M22 and savings from the provision for expenses that were no longer required upon completion of projects in 9M21.

The Industries Segment registered revenue of RM218.5 million in 9M22, an increase of 52% compared to the same period a year earlier, due to stronger sales and deliveries to customers. As the productivity picked up during the year and better control measures on the procurement of raw materials to manage the price fluctuations, the profit margin improved resulting in an increase in pre-tax profit to RM12.9 million, an increase of more than 3.5 times compared with RM3.7 million in 9M21.

The Hospitality Segment recovered to a pre-tax profit of RM2.3 million in 9M22 from a pre-tax loss of RM16.4 million same period last year. Revenue in 9M22 rose more than three-fold to RM62.4 million. Such impressive improvement was underpinned by pent-up demand for rooms as tourism, meeting and convention activities which improved the occupancy and room rates across all the hotels coupled with its ability to continue to adopt the cost optimisation strategies. The Hotels and Resort Division also booked a gain of RM0.9 million on the disposal of Swiss-Inn Sungai Petani in 9M22.

The Capital Financing Division's revenue increased by 14% to RM81.8 million and pre-tax profit climbed 10% to RM46.6 million in 9M22 mainly due to higher interest/profit income generated from the higher average loan portfolio.

The Investment Holding Division reported pre-tax profit of RM182.5 million in 9M22 compared with RM182.3 million in 9M21, primarily from the contribution by RHB Group.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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 30.9.2022 3Q22 RM'000	Immediate preceding quarter ended 30.6.2022 2Q22 RM'000	change %
<u>Revenue</u>			
1. Property	199,582	192,052	4%
<i>Construction revenue</i>	30,150	28,536	6%
<i>Inter-segment revenue</i>	(30,150)	(28,536)	(6%)
2. Construction	-	-	
3. Industries	77,111	75,601	2%
4. Hospitality	24,090	20,985	15%
5. Financial Services & Investment Holding	46,287	46,023	1%
Revenue	347,070	334,661	4%
<u>Pre-tax profit/(loss)</u>			
1. Property	42,251	41,224	2%
2. Construction	146	(106)	>100%
3. Industries	2,357	5,391	(56%)
4. Hospitality	830	2,053	(60%)
5. Financial Services & Investment Holding	85,810	74,778	15%
Pre-tax profit	131,394	123,340	7%
Comprised of:			
Pre-tax profit from the business	51,180	56,545	(9%)
Share of results of associates and a joint venture	80,214	66,795	20%
Pre-tax profit	131,394	123,340	7%

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

Current Quarter ("3Q22") compared with Immediate Preceding Quarter ("2Q22")

The Group registered revenue of RM347.1 million in 3Q22, 4% higher compared with the immediate preceding quarter. Correspondingly, the pre-tax profit for 3Q22 improved 7% to RM131.4 million from RM123.3 million in 2Q22. Despite a slight reduction in pre-tax contribution from the Property and Hospitality Segments, the higher pre-tax profit recorded at Investment Holding Division and Industries Segment were sufficient to cushion the foregoing decline.

The Property Development Division's pre-tax profit improved by 3% to RM41.6 million with a 4% higher revenue of RM192.0 million recorded in 3Q22 compared with a quarter ago. The slight variation in revenue and pre-tax profit were due to the timing of the recognition of revenue from various on-going projects with different profit margins. In addition, the share of profit from the joint ventures improved to RM11.0 million from RM4.7 million a quarter ago mainly due to higher settlement by the purchasers at MSQ and reversal of costs provided as they were no longer required.

The Industries Segment's revenue improved by 2% to RM77.1 million and pre-tax profit decreased to RM2.4 million in 3Q22 compared with the immediate preceding quarter. The improvement in revenue was mainly due to higher sales and deliveries to customers including additional revenue from export by Cables Division. In addition, the pre-tax profit of the Segment was impacted by the Cables Division which has made a provision for claims in relation to late deliveries of cables to its customer. The late deliveries were caused by disruptions in working hours and raw material supplies during the various stages of movement control in the previous years.

The Hospitality Segment recorded revenue of RM24.1 million, a 15% increase compared to a quarter ago. Despite the increase in revenue, the corresponding pre-tax profit decreased slightly to RM0.8 million in 3Q22 as compared to a pre-tax profit of RM1.2 million in 2Q22 (excluding a gain of RM0.9 million on the disposal of Swiss-Inn Sungai Petani). The pre-tax profit in 3Q22 was affected by the additional expenses, e.g. sales and marketing, staff and utilities cost incurred in the preparation for the opening of DoubleTree by Hilton Damai Laut Resort. The refurbished Damai Laut Resort was opened on 15 September 2022.

The Capital Financing Division recorded a 16% increase in revenue to RM30.4 million in 3Q22 compared with the immediate preceding quarter. Despite that, the Capital Financing Division's pre-tax profit for 3Q22 declined by 7% to RM15.3 million mainly due to allowance for non-performing loans of RM0.2 million (2Q22: write back of RM0.2 million) and additional expenses incurred for license fees and staff costs at Capital Financing Australia.

The Investment Holding Division recorded a profit of RM70.5 million in 3Q22, up 21% compared to a quarter ago mainly due to higher share of profit derived from RHB Group.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

(a) Prospects for the remaining year 2022 ("FY22")

Bank Negara Malaysia has increased the Overnight Policy Rate ("OPR") by another 0.25% to 2.75% whilst Reserve Bank of Australia has increased the cash rate to 2.85% as at the date of this report in their attempt to slow inflation in both countries. The increase in the OPR and cash rate in Malaysia and Australia respectively is expected to have negative impact on the sales of property in both countries.

However, downside risks to growth remain given external and internal uncertainties amongst other things supply chain disruptions, inflationary pressure and geopolitical uncertainties.

The performance of the Property Development Division will continue to be supported by the recognition of revenue from progress billings of those properties sold from on-going projects, including YouCity III, Mira and various phases in our township, Iringan Bayu and Bandar Puteri Jaya. These projects will provide a sustainable revenue stream for the Division for the remaining of year and in the near future. In Australia, we will focus on selling the balance of the completed residential units in Melbourne Square ("MSQ"). Plans were carried out on the subsequent phases of MSQ and will be ready to be launched if the market condition permits to create a consistent flow of activities.

As at 30 September 2022, the Group's effective unbilled sales stood at RM1.0 billion with minimal unsold completed stocks. The Group has land bank measured at 1,931 acres with an estimated effective GDV of RM13.7 billion that are strategically located in the Klang Valley, Sungai Petani, Butterworth, Kuantan, Seremban and Melbourne, Australia. Property Development Division will remain one of the key contributors to the performance of the Group for the remaining FY22.

The Construction Segment will focus to deliver its current outstanding order book which stood at RM342.6 million as at 30 September 2022. This Division will continue to support the Property Development Division in building high quality homes for our customers by adopting the property-construction partnership approach.

In line with the positive recovery in the property development market, the Industries Segment is expected to improve gradually. The Cables Division will continue to tap on existing private and public sectors and explore new markets to secure new orders. For IBS Division, the research and development on new methods to manufacture better quality and lighter products to reduce the use of installation workers required are being carried out.

The Hospitality Segment which was affected by COVID-19 safety measures previously is seeing an impressive turnaround. The demand for hotel room across all hotels under the Group have shown significant improvement in view of the tourism activities. On 15 September 2022, the "DoubleTree by Hilton Damai Laut Resort" (formerly known as Swiss-Garden Beach Resort Damai Laut), was reopened for business and it is expected to contribute positively to the Group in the longer term. We expect the pent-up demand for local tourism will continue for the remaining year. The Vacation Club Division will remain resilient in FY22 as we focus on selling of the short-term membership programmes.

The performance of the Financial Services and Investment Holding Segment is dependent on the performance of RHB Group and the new loans to be originated and disbursed by the Capital Financing Division. With the expansion of its financing portfolio and products offering in Malaysia as well as Australia, the Division is expected to contribute stronger financial performance to the Group for the remaining year.

Barring any unforeseen circumstances, based on the assessment of the respective businesses, the Group is confident to deliver satisfactory results for the remaining part of 2022.

(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 2022

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 30.9.2022 RM'000	Current year to date ended 30.9.2022 RM'000
In respect of the current year income tax	(28,528)	(59,888)
Deferred income tax	11,353	14,285
Income tax expense	<u>(17,175)</u>	<u>(45,603)</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 22 November 2022 (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 2022

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
	'000	RM'000	'000	RM'000	RM'000
As at 30.9.2022					
Secured					
Bankers' acceptances - MYR	-	-	-	11,700	11,700
Medium term notes and Sukuk - MYR *	-	1,557,882	-	47,413	1,605,295
Revolving credits - MYR	-	-	-	122,950	122,950
Revolving credits - AUD (1: 3.0095)	-	-	6,700	19,665 @	19,665
Term/Bridging - MYR	-	53,679	-	11,277	64,956
Term loan - USD (1 : 4.6410) #	-	-	32,400	150,368	150,368
		<u>1,611,561</u>		<u>363,373</u>	<u>1,974,934</u>
Unsecured					
Revolving credits - MYR	-	-	-	524,995	524,995
Revolving credits - AUD (1: 3.0095)	-	-	65,500	197,122	197,122
		<u>-</u>		<u>722,117</u>	<u>722,117</u>
Total		<u>1,611,561</u>		<u>1,085,490</u>	<u>2,697,051</u>
As at 31.12.2021					
Secured					
Medium term notes and Sukuk - MYR *	-	1,604,258	-	36,820	1,641,078
Revolving credits - MYR	-	-	-	133,010	133,010
Revolving credits - AUD (1: 3.0289)	-	-	12,000	36,084 @	36,084
Term/Bridging - MYR	-	130,486	-	5,852	136,338
Term loan - USD (1 : 4.1760) #	32,480	135,636	3,520	14,700	150,336
		<u>1,870,380</u>		<u>226,466</u>	<u>2,096,846</u>
Unsecured					
Revolving credits - MYR	-	-	-	654,271	654,271
		<u>-</u>		<u>654,271</u>	<u>654,271</u>
Total		<u>1,870,380</u>		<u>880,737</u>	<u>2,751,117</u>

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

@ Unamortised borrowing expenses are included therein.

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.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

B8. Borrowings and debt securities as at end of the reporting period (Cont'd)

(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 (d).
- (ii) The decrease in the borrowings was mainly due to repayment of revolving credits, term/bridging borrowings and Sukuk.
- (iii) Borrowing of USD32.4 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.

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 30.9.2022	Preceding year to date ended 30.9.2021
(a) Dividend payable / paid single-tier interim to the dividend per share (RM'000)	41,242	20,621
Single-tier interim dividend per share (sen)	2.0	1.0
Number of ordinary share on which dividend was declared ('000)	2,062,104	2,062,104
Date of payment	6.10.2022*	30.9.2021
(b) Total dividend for the current year to date per share (sen)	2.0	1.0

* The date of the payment is after end of current quarter.

B11. Earnings Per Share ("EPS")

	Current quarter ended 30.9.2022	Comparative quarter ended 30.9.2021	Current year to date ended 30.9.2022	Preceding year to date ended 30.9.2021
Profit attributable to Owners of the Company (RM'000)	113,368	79,888	305,865	299,911
Weighted average number of ordinary shares outstanding ('000)	2,062,104	2,062,104	2,062,104	2,062,104
Basic / Diluted EPS (sen)	5.50	3.87	14.83	14.54

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

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

B12. Audit report of preceding annual financial statements

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

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

	Current quarter ended 30.9.2022	Comparative quarter ended 30.9.2021	Current year to date ended 30.9.2022	Preceding year to date ended 30.9.2021
Profit before tax is arrived at after crediting/(charging):	RM'000	RM'000	RM'000	RM'000
(i) <u>Revenue</u>				
Interest income	25,763	22,286	70,315	63,763
Rental income	8,041	6,653	23,736	23,749
(ii) <u>Cost of sales</u>				
Funding costs	(9,474)	(7,150)	(21,463)	(19,893)
(iii) <u>Other income</u>				
Dividend income	-	-	9	-
Funds distribution income	949	3,066	3,264	6,102
Gain on disposals of property, plant and equipment	353	7	1,367	44
Gain on fair valuation of:				
- biological assets	-	84	-	523
- short-term funds	557	471	852	85
Gain on redemption of short-term funds	1,062	-	1,477	66
Foreign currency transactions gains	404	-	406	3
Foreign currency translations gains	-	-	1	-
Interest income	1,250	629	3,419	1,270
Recovery of bad debts of:				
- capital financing	-	-	31	213
- trade and other receivables	-	-	-	24
Rental concession received	1	39	1	94
Write back of allowance for impairment losses on:				
- capital financing:				
- collective assessment	43	-	426	-
- individual assessment	-	-	7	-
- trade and other receivables:				
- collective assessment	8	-	1,063	23
- individual assessment	594	1,129	1,465	4,909
(iv) <u>Administrative expenses</u>				
Depreciation and amortisation	(9,041)	(8,701)	(27,236)	(26,602)
Selling and marketing expenses	(6,620)	(2,889)	(16,064)	(10,005)
Personnel expenses	(22,737)	(19,630)	(65,520)	(55,148)

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

	Current quarter ended 30.9.2022	Comparative quarter ended 30.9.2021	Current year to date ended 30.9.2022	Preceding year to date ended 30.9.2021
	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</u>				
Impairment loss on:				
- capital financing:				
- collective assessment	(163)	-	(380)	-
- individual assessment	(72)	(48)	(752)	(762)
- trade and other receivables:				
- collective assessment	(183)	(564)	(1,076)	(1,227)
- individual assessment	(240)	(397)	(1,923)	(2,770)
Loss on disposals of plant and equipment	(83)	(80)	(207)	(80)
Loss on fair valuation of:				
- biological assets	(468)	-	(175)	-
- securities at fair value through profit or loss	(11)	-	(39)	(21)
- short-term funds	-	-	(1,838)	(3,090)
Foreign currency transactions loss	(6)	(63)	(24)	-
Foreign currency translations loss	(22)	(44)	(10)	(44)
Write off of:				
- bad debts on trade and other receivables	(70)	-	(101)	(38)
- plant and equipment	(36)	-	(176)	(708)
(vi) <u>Finance costs</u>				
Interest expense	(9,179)	(10,104)	(29,189)	(29,641)

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

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

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 30.9.2022				
Cross-currency interest rate swap ("CCIRS") contract - 1 year to 3 years	B8(a)	147,024	17,564	(483)

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.

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 2022.

By Order of the Board

Tan Sri Ong Leong Huat
Executive Chairman
Kuala Lumpur
29 November 2022