

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	Note	Current quarter ended 30.6.2023 RM'000	Comparative quarter ended 30.6.2022 (Restated) RM'000	Current year to date ended 30.6.2023 RM'000	Preceding year to date ended 30.6.2022 (Restated) RM'000
<b>Revenue</b>		<b>397,443</b>	334,661	<b>730,644</b>	641,118
Cost of sales		<b>(286,260)</b>	(227,201)	<b>(527,864)</b>	(440,088)
Gross profit		<b>111,183</b>	107,460	<b>202,780</b>	201,030
Other income		<b>8,987</b>	8,515	<b>20,426</b>	13,669
Administrative expenses		<b>(47,161)</b>	(44,682)	<b>(95,730)</b>	(89,799)
Other expenses		<b>(4,652)</b>	(4,568)	<b>(9,637)</b>	(7,481)
		<b>68,357</b>	66,725	<b>117,839</b>	117,419
Finance costs		<b>(10,867)</b>	(10,180)	<b>(21,916)</b>	(20,397)
		<b>57,490</b>	56,545	<b>95,923</b>	97,022
Share of results of associates and a joint venture, net of tax		<b>88,332</b>	66,310	<b>175,933</b>	122,566
<b>Profit before tax</b>	B13	<b>145,822</b>	122,855	<b>271,856</b>	219,588
Tax expense	B6	<b>(14,000)</b>	(16,498)	<b>(24,266)</b>	(28,428)
<b>Profit after tax</b>		<b>131,822</b>	106,357	<b>247,590</b>	191,160
<b>Profit attributable to:</b>					
Owners of the Company		<b>131,035</b>	105,746	<b>246,125</b>	190,186
Non-controlling interests		<b>787</b>	611	<b>1,465</b>	974
		<b>131,822</b>	106,357	<b>247,590</b>	191,160
<b>Earnings per share attributable to Owners of the Company (sen):</b>					
Basic / Diluted	B11	<b>6.35</b>	5.13	<b>11.94</b>	9.22

(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 2022)

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	<b>Current quarter ended 30.6.2023</b>	<b>Comparative quarter ended 30.6.2022 (Restated)</b>	<b>Current year to date ended 30.6.2023</b>	<b>Preceding year to date ended 30.6.2022 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit after tax</b>	<b>131,822</b>	106,357	<b>247,590</b>	191,160
<b>Other comprehensive income/(expenses) for the period, net of tax</b>				
Items of other comprehensive income/(expenses):				
(a) Will be reclassified subsequently to profit or loss when specific conditions are met:				
- Fair value gain on cash flow hedge	-	745	-	1,249
- Foreign currency translation gain/(loss)	<b>25,353</b>	(18,178)	<b>20,540</b>	1,640
(b) Reclassified to profit or loss:				
- Fair value of cash flow hedge upon maturity	-	-	<b>89</b>	-
	<b>25,353</b>	(17,433)	<b>20,629</b>	2,889
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	<b>3,355</b>	(2,086)	<b>3,313</b>	(2,030)
(b) Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
- Foreign currency translation reserves	<b>17,884</b>	8,839	<b>21,845</b>	11,186
- FVTOCI and other reserves	<b>1,694</b>	(67,673)	<b>37,091</b>	(124,080)
	<b>22,933</b>	(60,920)	<b>62,249</b>	(114,924)
<b>Total other comprehensive income/(expenses) for the period, net of tax</b>	<b>48,286</b>	(78,353)	<b>82,878</b>	(112,035)
<b>Total comprehensive income</b>	<b>180,108</b>	28,004	<b>330,468</b>	79,125
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	<b>178,695</b>	27,887	<b>328,500</b>	78,107
Non-controlling interests	<b>1,413</b>	117	<b>1,968</b>	1,018
	<b>180,108</b>	28,004	<b>330,468</b>	79,125

(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 2022)

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	Note	As at 30.6.2023	As at 31.12.2022 (Restated)	As at 1.1.2022 (Restated)
		RM'000	RM'000	RM'000
<b>Assets:</b>				
<b>Non-current</b>				
Property, plant and equipment		589,282	570,607	564,251
Investment properties		495,185	489,935	476,318
Investments in associates and a joint venture		4,141,241	3,975,650	3,924,987
Intangible assets		2,269	2,503	2,579
Right-of-use assets		48,576	50,214	62,258
Inventories		1,492,958	1,471,510	1,514,701
Deferred tax assets		91,894	89,179	69,568
Capital financing		317,240	241,813	291,657
Trade receivables		6,078	8,137	22,926
Other assets		1,572	1,758	2,428
Derivative asset	B14	-	-	1,926
		<b>7,186,295</b>	<b>6,901,306</b>	<b>6,933,599</b>
<b>Current</b>				
Inventories		358,848	342,143	322,817
Capital financing		1,170,681	1,155,003	688,127
Trade receivables		210,940	223,054	212,909
Other assets		46,598	42,804	26,788
Contract assets		297,320	276,409	185,621
Derivative asset	B14	-	10,570	-
Biological assets		350	519	524
Tax recoverable		17,144	17,084	18,972
Securities at fair value through profit or loss		215	239	227
Cash, bank balances and short-term funds		627,483	712,653	831,733
		<b>2,729,579</b>	<b>2,780,478</b>	<b>2,287,718</b>
<b>Total Assets</b>		<b>9,915,874</b>	<b>9,681,784</b>	<b>9,221,317</b>

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023 (CONT'D)**

	Note	As at 30.6.2023 RM'000	As at 31.12.2022 (Restated) RM'000	As at 1.1.2022 (Restated) RM'000
<b>Liabilities:</b>				
<b>Non-current</b>				
Borrowings	A5(b),(c),(d),B8(a)	1,650,834	1,700,032	1,870,380
Trade payables		17,953	19,536	16,748
Other liabilities		4,227	3,501	30,467
Contract liabilities and deferred income		74,828	78,464	86,906
Lease liabilities		201	398	1,210
Deferred tax liabilities		80,803	88,347	99,236
		<b>1,828,846</b>	<b>1,890,278</b>	<b>2,104,947</b>
<b>Current</b>				
Borrowings	A5(b),(c),(d),B8(a)	1,320,506	1,324,677	880,737
Trade payables		126,301	97,996	76,371
Other liabilities		606,540	576,905	559,117
Contract liabilities and deferred income		17,265	16,531	23,520
Lease liabilities		566	1,862	13,302
Tax payable		15,346	16,807	18,116
		<b>2,086,524</b>	<b>2,034,778</b>	<b>1,571,163</b>
<b>Total Liabilities</b>		<b>3,915,370</b>	<b>3,925,056</b>	<b>3,676,110</b>
<b>Net Assets</b>		<b>6,000,504</b>	<b>5,756,728</b>	<b>5,545,207</b>
<b>Equity:</b>				
Share capital		2,095,311	2,095,311	2,095,311
Treasury shares, at cost	A5(a)	(43,226)	(43,226)	(43,226)
		<b>2,052,085</b>	<b>2,052,085</b>	<b>2,052,085</b>
Reserves		3,875,798	3,629,768	3,421,319
Issued capital and reserves attributable to				
Owners of the Company		5,927,883	5,681,853	5,473,404
Non-controlling interests		72,621	74,875	71,803
<b>Total Equity</b>		<b>6,000,504</b>	<b>5,756,728</b>	<b>5,545,207</b>
<b>Net Assets per share attributable to</b>				
<b>Owners of the Company (RM)</b>		<b>2.87</b>	<b>2.76</b>	<b>2.65</b>
<b>Number of outstanding ordinary shares in issue ('000)</b>		<b>2,062,104</b>	<b>2,062,104</b>	<b>2,062,104</b>

(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 2022)

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

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				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000				
<b>As at 1.1.2023</b>											
As per previously reported	2,095,311	(43,226)	63,451	19,864	(89)	(75,409)	3,619,806	5,679,708	74,875	5,754,583	
Effects of adoption of MFRS 17 'Insurance Contracts' by an associate	-	-	-	-	-	-	2,145	2,145	-	2,145	
As restated	2,095,311	(43,226)	63,451	19,864	(89)	(75,409)	3,621,951	5,681,853	74,875	5,756,728	
Profit after tax	-	-	-	-	-	-	246,125	246,125	1,465	247,590	
Fair value of cash flow hedge upon maturity	B14	-	-	-	-	89	-	89	-	89	
Foreign currency translation gain		-	-	-	20,032	-	-	20,032	508	20,540	
Share of other comprehensive income/(expenses) and reserves of associates accounted for using equity method:											
- Foreign currency translation reserves		-	-	-	21,845	-	-	21,845	-	21,845	
- FVTOCI and other reserves		-	-	-	-	40,409	-	40,409	(5)	40,404	
Other comprehensive income		-	-	-	41,877	89	40,409	82,375	503	82,878	
<b>Total comprehensive income</b>		-	-	-	41,877	89	40,409	328,500	1,968	330,468	
Dividends paid to:											
- Owners of the Company	A6	-	-	-	-	-	(82,484)	(82,484)	-	(82,484)	
- Non-controlling interests		-	-	-	-	-	-	-	(4,197)	(4,197)	
Total distributions to Owners		-	-	-	-	-	(82,484)	(82,484)	(4,197)	(86,681)	
Acquisitions of additional interests in a subsidiary from non-controlling interests:											
- Accretion of equity interests	A8(b)	-	-	-	-	-	-	-	(25)	(25)	
- Gain on acquisitions	A8(b)	-	-	-	-	-	14	14	-	14	
<b>Total changes in ownership interest in a subsidiary</b>		-	-	-	-	-	14	14	(25)	(11)	
<b>Total transactions with Owners in their capacity as Owners</b>		-	-	-	-	-	(82,470)	(82,470)	(4,222)	(86,692)	
<b>As at 30.6.2023</b>		2,095,311	(43,226)	63,451	61,741	-	(35,000)	3,785,606	5,927,883	72,621	6,000,504

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2023 (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	
<b>As at 1.1.2022</b>											
As per previously reported		2,095,311	(43,226)	63,451	13,702	(1,386)	24,120	3,316,068	5,468,040	71,803	5,539,843
Effects of adoption of MFRS 17 'Insurance Contracts' by an associate		-	-	-	-	-	-	5,364	5,364	-	5,364
As restated		2,095,311	(43,226)	63,451	13,702	(1,386)	24,120	3,321,432	5,473,404	71,803	5,545,207
Profit after tax		-	-	-	-	-	-	190,186	190,186	974	191,160
Fair value gain on cash flow hedge		-	-	-	-	1,249	-	-	1,249	-	1,249
Foreign currency translation gain		-	-	-	1,596	-	-	-	1,596	44	1,640
Share of other comprehensive income/(expenses) and reserves of associates accounted for using equity method:											
- Foreign currency translation reserves		-	-	-	11,186	-	-	-	11,186	-	11,186
- FVTOCI and other reserves		-	-	-	-	-	(126,110)	-	(126,110)	-	(126,110)
Other comprehensive income/(expenses)		-	-	-	12,782	1,249	(126,110)	-	(112,079)	44	(112,035)
<b>Total comprehensive income/(expenses)</b>		-	-	-	12,782	1,249	(126,110)	190,186	78,107	1,018	79,125
Dividends paid to:											
- Owners of the Company		-	-	-	-	-	-	(82,484)	(82,484)	-	(82,484)
- Non-controlling interests		-	-	-	-	-	-	-	-	(1,909)	(1,909)
Total distributions to Owners		-	-	-	-	-	-	(82,484)	(82,484)	(1,909)	(84,393)
Acquisitions of additional interests in subsidiaries from non-controlling interests:											
- Dilution of equity interests		-	-	-	-	-	-	-	-	314	314
- Loss on acquisitions		-	-	-	-	-	-	(318)	(318)	-	(318)
<b>Total changes in ownership interest in subsidiaries</b>		-	-	-	-	-	-	(318)	(318)	314	(4)
<b>Total transactions with Owners in their capacity as Owners</b>		-	-	-	-	-	-	(82,802)	(82,802)	(1,595)	(84,397)
<b>As at 30.6.2022</b>		2,095,311	(43,226)	63,451	26,484	(137)	(101,990)	3,428,816	5,468,709	71,226	5,539,935

(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 2022)

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	<b>Current year to date ended 30.6.2023</b>	Preceding year to date ended 30.6.2022 (Restated)
	<b>RM'000</b>	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax	271,856	219,588
Adjustments for:		
Non-cash and non-operating items	(9,654)	4,241
Share of results of associates and a joint venture	(175,933)	(122,566)
Operating profit before changes in working capital	<b>86,269</b>	101,263
<i>(Increase)/Decrease in:</i>		
Inventories	(268)	67,482
Capital financing	(78,927)	46,693
Trade receivables	16,471	19,261
Other assets	(3,354)	(9,679)
Contract assets	(20,910)	(33,624)
<i>Increase/(Decrease) in:</i>		
Trade payables	26,920	512
Other liabilities	60,519	(28,111)
Contract liabilities and deferred income	(2,976)	(14,698)
<i>Changes in working capital</i>	<b>(2,525)</b>	47,836
Cash from operations	<b>83,744</b>	149,099
Income tax paid	(38,580)	(23,824)
Income tax refunded	2,559	443
Interest/profit paid	(42,737)	(27,923)
Interest/profit received	67,232	44,552
Net cash from operating activities	<b>72,218</b>	142,347
<b>Cash Flows From Investing Activities</b>		
<i>Investment, divestment and income from investments:</i>		
Acquisitions of additional shares in a subsidiary from non-controlling interests	(11)	(4)
Dividends received from:-		
- securities at fair value through profit or loss	9	9
- associates	91,339	78,257
Investment properties expenditure	(5,251)	(3,944)
Funds distribution income received	4,079	2,315
Interest/profit received	3,432	2,169
Proceeds from disposals of plant and equipment	49	9,016
Purchase of:		
- lands for property development	(51,225)	-
- property, plant and equipment	(35,549)	(23,977)
- software licences	(24)	(244)
Net cash from investing activities	<b>6,848</b>	63,597

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2023 (CONT'D)**

	Note	Current year to date ended 30.6.2023 RM'000	Preceding year to date ended 30.6.2022 (Restated) RM'000
<b>Cash Flows From Financing Activities</b>			
<i>Funding in business:</i>			
Expenses incurred on borrowings		(569)	(14)
<i>Drawdowns/(Repayments):</i>			
Proceeds from drawdowns of:			
- term and bridging		29,359	16,544
- revolving credits - net		106,715	-
Redemptions/Repayments of:			
- medium term notes and Sukuk	A5(b)(i),(ii),(iii),(c)(i)	(45,525)	(23,918)
- term and bridging		(143,818)	(87,782)
- revolving credits - net		-	(128,987)
<i>Net repayments</i>		(53,269)	(224,143)
Interest/profit paid		(20,131)	(18,882)
Payment of lease liabilities		(1,643)	(9,054)
<i>Dividends:</i>			
Dividend paid to:			
- Owners of the Company	A6	(82,484)	(82,484)
- Non-controlling interests		(4,197)	(1,909)
<i>Net dealing with Owners</i>		(86,681)	(84,393)
Net cash used in financing activities		(162,293)	(336,486)
<b>Net decrease in cash and cash equivalents</b>		<b>(83,227)</b>	<b>(130,542)</b>
Effects of exchange rate changes		(1,943)	467
<b>Cash and cash equivalents at beginning of the period</b>		<b>712,653</b>	<b>831,733</b>
<b>Cash and cash equivalents at end of the period, comprised cash, bank balances and short-term funds</b>		<b>627,483</b>	<b>701,658</b>

(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 2022)

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**Explanatory notes to Quarterly Report for the current year to date ended 30 June 2023**

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 2022 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 2022.

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 2022 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 2023:

- (i) Amendments to MFRS 101 'Presentation of Financial Statements' (Classification of Liabilities as Current or Non-current)
- (ii) Amendments to MFRS 101 'Presentation of Financial Statements' and MFRS Practice Statement 2 (Disclosure of Accounting Policies)
- (iii) Amendments to MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors' (Definition of Accounting Estimates)
- (iv) Amendments to MFRS 112 'Income taxes' (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)
- (v) Amendments to MFRS 112 'Income taxes' (International Tax Reform - Pillar Two Model Rules)

The adoption of these amendments do not have any significant financial impact to the Group.

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**A1. Basis of preparation (Cont'd)**

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 2022 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 2023: (Cont'd)

(vi) MFRS 17 'Insurance Contracts'

The Group has adopted MFRS 17 in accordance with the transition provisions. The effects of adoption of MFRS 17 of the Group on items of Financial Statements are as follows:

	As previously reported	Effect of adoption of MFRS 17	As restated
	RM'000	RM'000	RM'000
<b>Reconciliation of Statement of Financial Position as at 1.1.2022</b>			
Assets:			
Non-current - Investment in associates and a joint venture	3,919,623	5,364	3,924,987
Total Assets	<u>9,215,953</u>	<u>5,364</u>	<u>9,221,317</u>
Equity:			
Retained profits	3,316,068	5,364	3,321,432
Reserves	3,415,955	5,364	3,421,319
Total Equity	<u>5,539,843</u>	<u>5,364</u>	<u>5,545,207</u>
Net Assets per share attributable to Owners of the Company (RM)	<u>2.65</u>	<u>- @</u>	<u>2.65</u>
<b>Reconciliation of Statement of Financial Position as at 31.12.2022</b>			
Assets:			
Non-current - Investment in associates and a joint venture	3,973,505	2,145	3,975,650
Total Assets	<u>9,679,639</u>	<u>2,145</u>	<u>9,681,784</u>
Equity:			
Retained profits	3,619,806	2,145	3,621,951
Reserves	3,627,623	2,145	3,629,768
Total Equity	<u>5,754,583</u>	<u>2,145</u>	<u>5,756,728</u>
Net Assets per share attributable to Owners of the Company (RM)	<u>2.75</u>	<u>0.01</u>	<u>2.76</u>
<b>Reconciliation of Statement of Profit or Loss for the six months ended 30.6.2022</b>			
Share of results of associates and a joint venture, net of tax	124,877	(2,311)	122,566
Profit before tax	221,899	(2,311)	219,588
Profit after tax	<u>193,471</u>	<u>(2,311)</u>	<u>191,160</u>
Profit attributable to Owners of the Company	192,497	(2,311)	190,186
Earnings per share attributable to Owners of the Company (sen):			
Basic / Diluted	<u>9.33</u>	<u>(0.11)</u>	<u>9.22</u>

@ negligible

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**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 the 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.

**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-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. Sukuk 1 and MTN2 are unrated, tradable, 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.

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**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**

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 the 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 the 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 May 2023 and 30 May 2023, OSKICM redeemed RM3.9 million and RM2.1 million of Tranche 1 and Tranche 2 respectively. Since the first issuance on 30 April 2018, the total amount redeemed in respect of Tranche 1 and Tranche 2 of MTN2 amounted to RM207.1 million and RM176.9 million respectively. As at 30 June 2023, the outstanding amount of Tranche 1 and Tranche 2 of MTN2 stood at RM42.9 million and RM23.1 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 (these 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 the 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.

On 8 May 2023, OSKICM redeemed RM17.0 million of Tranche 3 of MTN2. As at 30 June 2023, the outstanding amount of Tranche 3 of MTN2 stood at RM83.0 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.

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**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**

On 23 July 2018, OSKICM issued Tranche 2 of Sukuk 1 of RM93.0 million with maturities commencing from the 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 20 January 2023 and 21 April 2023, OSKICM redeemed RM7.0 million and RM8.0 million of Tranche 2 of Sukuk 1. Since the first issuance on 23 July 2018, the total amount redeemed in respect of Tranche 2 of Sukuk 1 amounted to RM54.0 million. As at 30 June 2023, the outstanding amount of Tranche 2 of Sukuk 1 stood at RM39.0 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.

**(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 June 2023, 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 SECOND QUARTER ENDED 30 JUNE 2023**

**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 2023, OSKICM redeemed RM7.5 million of Tranche 1 of MTN3. Since the first issuance on 10 May 2019, the total amount redeemed in respect of Tranche 1 of MTN3 amounted to RM22.5 million. As at 30 June 2023, the outstanding amount of Tranche 1 of MTN3 stood at RM141.7 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 SECOND QUARTER ENDED 30 JUNE 2023**

**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, Tranche 4 and Tranche 5 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.

On 20 December 2022 and 28 December 2022, OSKICM issued Tranche 5 of MTN3 of RM55.0 million in 7 series with maturities commencing from year 2023 to 2029 and RM45.0 million with a tenure of 8 years maturing on 27 December 2030 respectively. Proceeds from Tranche 5 of MTN3 were utilised for working capital requirements and repayment of existing borrowings of the Group.

There was no redemption for Tranche 2 and Tranche 3 of MTN3 since the first issuance date. As at 30 June 2023, the outstanding amount of Tranche 2 and Tranche 3 of MTN3 stood at RM100.0 million and RM100.0 million respectively.

There was no redemption during 1 January 2023 to 30 June 2023. Since the 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 June 2023, the outstanding amount of Tranche 4 of MTN3 stood at RM190.0 million.

There was no redemption for Tranche 5 of MTN3 since the first issuance date. As at 30 June 2023, the outstanding amount of Tranche 5 of MTN3 stood at RM100.0 million.

The Tranche 2, Tranche 3, Tranche 4 and Tranche 5 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 SECOND QUARTER ENDED 30 JUNE 2023**

**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<sub>IS</sub>/AA with stable outlook to OSKRB's Sukuk-R/MCMTN-R. On 28 September 2022, MARC has affirmed its AA<sub>IS</sub>/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 June 2023, 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 a 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 a 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 June 2023, 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 SECOND QUARTER ENDED 30 JUNE 2023**

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

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

	For current year to date		As at 30 June 2023				
	Issuance RM'000	Redemption RM'000	Outstanding amounts RM'000	DSRA balances RM'000	FSRA balances RM'000	PA balances RM'000	TRA balances RM'000
(1) Tranche 1 of MTN2	-	3,896	42,867	-	-	18	} 33
(2) Tranche 2 of MTN2	-	2,129	23,143	-	-	38	
(3) Tranche 3 of MTN2	-	17,000	83,000	283	-	-	
(4) Tranche 2 of Sukuk 1	-	15,000	38,971	-	1,293	-	} 34
(5) Tranche 4 of Sukuk 1	-	-	132,000	-	373	-	
(6) Tranche 1 of MTN3	-	7,500	141,700	747	-	-	} 33
(7) Tranche 2 of MTN3	-	-	100,000	395	-	-	
(8) Tranche 3 of MTN3	-	-	100,000	395	-	-	
(9) Tranche 4 of MTN3	-	-	190,000	695	-	-	
(10) Tranche 5 of MTN3	-	-	100,000	397	-	-	} 31
(11) Series 1 of MCMTN-R	-	-	20,000	-	-	-	
(12) Series 1 of Sukuk-R	-	-	100,000	-	-	-	} 31
(13) Series 2 of Sukuk-R	-	-	373,000	-	-	-	
(14) Series 3 of Sukuk-R	-	-	205,000	-	-	-	
	-	45,525	1,649,681	2,912	1,666	56	162
Less: Unamortised issuance expenses			(799)				
			1,648,882				

The interest rates of MTNs and profit rates of Sukuk ranged from 3.89% to 4.80% per annum.

**A6. Dividends paid during the current year to date**

On 12 May 2023, the Company paid a final dividend of RM82.5 million or 4.0 sen per ordinary share for the year ended 31 December 2022.

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

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**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 - Industrialised Building System ("IBS") - Manufacturing and sale of 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 SECOND QUARTER ENDED 30 JUNE 2023**

**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
<b>Current year to date ended 30.6.2023</b>						
<b>Revenue</b>						
Total revenue	399,219	100,831	185,652	45,142	570,861	1,301,705
Inter-segment revenue	(2,553)	(100,831)	(2,154)	-	(73,178)	(178,716)
Dividends from:						
- subsidiaries	-	-	-	-	(279,296)	(279,296)
- associates	(4,500)	-	-	-	(108,549)	(113,049)
Revenue from external parties	392,166	-	183,498	45,142	109,838	730,644
<b>Results</b>						
Segment profit/(loss)	44,769	747	19,246	(746)	37,092	101,108
Share of results of associates and a joint venture	15,342	-	-	-	160,591	175,933
	60,111	747	19,246	(746)	197,683	277,041
Elimination of unrealised profit	-	(1,468)	-	-	(3,717)	(5,185)
<b>Profit/(Loss) before tax</b>	60,111	(721)	19,246	(746)	193,966	271,856
Tax (expense)/income	(12,031)	338	(2,629)	370	(10,314)	(24,266)
<b>Profit/(Loss) after tax</b>	48,080	(383)	16,617	(376)	183,652	247,590
<b>Preceding year to date ended 30.6.2022 (Restated)</b>						
<b>Revenue</b>						
Total revenue	384,590	57,595	141,370	38,420	428,731	1,050,706
Inter-segment revenue	(2,491)	(57,595)	(5)	(103)	(36,439)	(96,633)
Dividends from:						
- a subsidiary	-	-	-	-	(192,526)	(192,526)
- associates	(15,000)	-	-	-	(105,429)	(120,429)
Revenue from external parties	367,099	-	141,365	38,317	94,337	641,118
<b>Results</b>						
Segment profit/(loss)	64,197	(836)	10,561	1,478	22,856	98,256
Share of results of associates and a joint venture	3,530	-	-	-	119,036	122,566
	67,727	(836)	10,561	1,478	141,892	220,822
Elimination of unrealised profit	-	(325)	-	-	(909)	(1,234)
<b>Profit/(Loss) before tax</b>	67,727	(1,161)	10,561	1,478	140,983	219,588
Tax (expense)/income	(16,150)	188	(2,077)	108	(10,497)	(28,428)
<b>Profit/(Loss) after tax</b>	51,577	(973)	8,484	1,586	130,486	191,160
(Lower)/Improve of pre-tax performance						
- in RM'000	(7,616)	440	8,685	(2,224)	52,983	52,268
- in %	(11%)	38%	82%	(>100%)	38%	24%

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**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
<b>As at 30.6.2023</b>						
<b>Assets</b>						
Tangible assets	3,192,070	30,774	288,264	362,818	1,789,400	5,663,326
Intangible assets	61	-	-	-	2,208	2,269
	<b>3,192,131</b>	<b>30,774</b>	<b>288,264</b>	<b>362,818</b>	<b>1,791,608</b>	<b>5,665,595</b>
Investments in associates and a joint venture	585,691	-	-	-	3,555,550	4,141,241
<b>Segment assets</b>	<b>3,777,822</b>	<b>30,774</b>	<b>288,264</b>	<b>362,818</b>	<b>5,347,158</b>	<b>9,806,836</b>
Deferred tax assets and tax recoverable	78,596	1,599	686	20,177	7,980	109,038
<b>Total assets</b>	<b>3,856,418</b>	<b>32,373</b>	<b>288,950</b>	<b>382,995</b>	<b>5,355,138</b>	<b>9,915,874</b>
<b>Liabilities</b>						
<b>Segment liabilities</b>	<b>1,870,187</b>	<b>41,334</b>	<b>109,569</b>	<b>157,656</b>	<b>1,640,475</b>	<b>3,819,221</b>
Deferred tax liabilities and tax payable	65,572	32	7,369	6,052	17,124	96,149
<b>Total liabilities</b>	<b>1,935,759</b>	<b>41,366</b>	<b>116,938</b>	<b>163,708</b>	<b>1,657,599</b>	<b>3,915,370</b>
<b>As at 31.12.2022 (Restated)</b>						
<b>Assets</b>						
Tangible assets	3,209,958	35,794	237,251	356,999	1,757,366	5,597,368
Intangible assets	80	-	-	-	2,423	2,503
	<b>3,210,038</b>	<b>35,794</b>	<b>237,251</b>	<b>356,999</b>	<b>1,759,789</b>	<b>5,599,871</b>
Investments in associates and a joint venture	556,266	-	-	-	3,419,384	3,975,650
<b>Segment assets</b>	<b>3,766,304</b>	<b>35,794</b>	<b>237,251</b>	<b>356,999</b>	<b>5,179,173</b>	<b>9,575,521</b>
Deferred tax assets and tax recoverable	75,556	1,203	1,321	20,423	7,760	106,263
<b>Total assets</b>	<b>3,841,860</b>	<b>36,997</b>	<b>238,572</b>	<b>377,422</b>	<b>5,186,933</b>	<b>9,681,784</b>
<b>Liabilities</b>						
<b>Segment liabilities</b>	<b>1,836,410</b>	<b>35,884</b>	<b>64,814</b>	<b>162,679</b>	<b>1,720,115</b>	<b>3,819,902</b>
Deferred tax liabilities and tax payable	77,937	31	7,614	6,132	13,440	105,154
<b>Total liabilities</b>	<b>1,914,347</b>	<b>35,915</b>	<b>72,428</b>	<b>168,811</b>	<b>1,733,555</b>	<b>3,925,056</b>
Increase/(Decrease) in segment assets	11,518	(5,020)	51,013	5,819	167,985	231,315
% of increase/(decrease)	<1%	(14%)	22%	2%	3%	2%
Increase/(Decrease) in segment liabilities	33,777	5,450	44,755	(5,023)	(79,640)	(681)
% of increase/(decrease)	2%	15%	69%	(3%)	(5%)	(<1%)

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**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>
<b>Current year to date ended 30.6.2023</b>			
Revenue	<u>719,219</u>	<u>11,425</u>	<u>730,644</u>
Profit before tax	<u>259,597</u>	<u>12,259</u>	<u>271,856</u>
<b>Preceding year to date ended 30.6.2022 (Restated)</b>			
Revenue	<u>638,651</u>	<u>2,467</u>	<u>641,118</u>
Profit before tax	<u>219,112</u>	<u>476</u>	<u>219,588</u>
<b>As at 30.6.2023</b>			
Non-current assets ^	<u>2,627,622</u>	<u>648</u>	<u>2,628,270</u>
<b>As at 31.12.2022</b>			
Non-current assets ^	<u>2,583,703</u>	<u>1,066</u>	<u>2,584,769</u>

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

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

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

**(a) Newly incorporated subsidiaries**

- (i) On 8 March 2023, OSK Property Holdings Berhad ("OSKPH"), which in turn is a subsidiary of the Company, incorporated a wholly-owned subsidiary, Harta Harmoni Sdn. Bhd. ("HHSB") with an issued and paid-up capital of RM1 comprising of one (1) ordinary share. The principal activity of HHSB is property development.
- (ii) On 27 April 2023, OSKPH incorporated a wholly-owned subsidiary, Astana Harmoni Sdn. Bhd. ("AHSB") with an issued and paid-up capital of RM1 comprising of one (1) ordinary share. The principal activity of AHSB is property development.

**(b) 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 9,500 ordinary shares of PJDH for a total amount of RM11,400.

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

	<b>RM'000</b>
Net assets acquired from non-controlling interests	(25)
Gain on consolidation recognised in statement of changes in equity	14
Cash outflow on acquisitions of additional ordinary shares in PJDH	(11)

The Company's equity interest in PJDH remained at 97.31%.

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

On 15 May 2023, RHB issued and allotted 38,974,473 new RHB shares at the issue price of RM4.74 per share which was applied to the second interim dividend in respect of financial year ended 31 December 2022. The dividend entitlement based on shareholdings in RHB was RM108.5 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 4,580,139 new RHB shares and cash of RM86.8 million from RHB.

Accordingly, the Company's equity interests in RHB increased to 10.24% from 10.22%.

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

There were no other material events after the end of the current quarter.

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**A10. Commitments**

	As at <b>30.6.2023</b>	As at 31.12.2022
	RM'000	RM'000
<b>(a) Significant unrecognised contractual commitments</b>		
Contracted but not provided for:		
- Acquisition of land held for property development	8,694	20,263
- Acquisition of office equipment, factory equipment and software licences	38,322	44,308
- Factory expansion	9,295	15,000
- Renovation costs	25,419	9,051
	<b>81,730</b>	<b>88,622</b>
<b>(b) Operating lease commitments - the Group as lessor</b>		
Not later than one year	22,461	23,692
Later than one year and not later than five years	29,624	36,549
Later than five years	72,411	74,673
	<b>124,496</b>	<b>134,914</b>

**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.

**A12. Significant related party transactions**

<u>Entities</u>	<u>Nature of transactions</u>	<u>Income/(Expenses) Current year to date ended 30.6.2023 RM'000</u>
<b>(a) Associates:</b>		
RHB Asset Management Sdn. Bhd.	- Funds distribution income	3,980
RHB Bank Berhad	- Office rental income	460
	- Interest income	581
	- Interest expense	(12,190)
RHB Islamic Bank Berhad	- Profit expense	(3,761)
Queensbridge Place Pty. Ltd.	- Interest income	361
<b>(b) Other related parties:</b>		
Acolia Sdn. Bhd.	- Building material expense	(1,561)
Acotiles Sdn. Bhd.	- Building material expense	(2,408)
Dindings Consolidated Sdn. Bhd.	- Office rental income	324
	- Office rental expense	(264)
Dindings Design Sdn. Bhd.	- Renovation income	330
Raslan Loong, Shen & Eow	- Legal fees expense	(421)
Sincere Source Sdn. Bhd.	- Insurance premium expense	(1,606)
Wong Enterprise	- Sale of fresh fruit bunch	316

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**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:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 30.6.2023</b>				
<b>Non-financial assets</b>				
Biological assets	-	-	350	350
Investment properties	-	14,921	434,190	449,111
<b>Financial assets</b>				
Securities at fair value through profit or loss	215	-	-	215
Short-term funds	266,525	-	-	266,525
	<b>266,740</b>	<b>14,921</b>	<b>434,540</b>	<b>716,201</b>
<b>As at 31.12.2022</b>				
<b>Non-financial assets</b>				
Biological assets	-	-	519	519
Investment properties	-	14,921	434,134	449,055
<b>Financial assets</b>				
Securities at fair value through profit or loss	239	-	-	239
Short-term funds	405,057	-	-	405,057
	<b>405,296</b>	<b>14,921</b>	<b>434,653</b>	<b>854,870</b>

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 SECOND QUARTER ENDED 30 JUNE 2023**

**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 June 2023**

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

	<b>Current quarter ended 30.6.2023 2Q23</b>	<b>Comparative quarter ended 30.6.2022 2Q22 (Restated)</b>	<b>change</b>	<b>Current year to date ended 30.6.2023 6M23</b>	<b>Preceding year to date ended 30.6.2022 6M22 (Restated)</b>	<b>change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Revenue</b>						
<b>1. Property</b>	<b>217,694</b>	192,052	13%	<b>392,166</b>	367,099	7%
<i>Construction revenue</i>	<i>57,106</i>	<i>28,536</i>	<i>100%</i>	<i>100,831</i>	<i>57,595</i>	<i>75%</i>
<i>Inter-segment revenue</i>	<i>(57,106)</i>	<i>(28,536)</i>	<i>(100%)</i>	<i>(100,831)</i>	<i>(57,595)</i>	<i>(75%)</i>
<b>2. Construction</b>	-	-	-	-	-	-
<b>3. Industries</b>	<b>102,437</b>	75,601	35%	<b>183,498</b>	141,365	30%
<b>4. Hospitality</b>	<b>21,141</b>	20,985	1%	<b>45,142</b>	38,317	18%
<b>5. Financial Services &amp; Investment Holding</b>	<b>56,171</b>	46,023	22%	<b>109,838</b>	94,337	16%
<b>Revenue</b>	<b>397,443</b>	334,661	19%	<b>730,644</b>	641,118	14%
<b>Pre-tax profit/(loss)</b>						
<b>1. Property</b>	<b>33,539</b>	41,224	(19%)	<b>60,111</b>	67,727	(11%)
<b>2. Construction</b>	<b>(321)</b>	(106)	(>100%)	<b>(721)</b>	(1,161)	38%
<b>3. Industries</b>	<b>12,847</b>	5,391	>100%	<b>19,246</b>	10,561	82%
<b>4. Hospitality</b>	<b>(368)</b>	2,053	(>100%)	<b>(746)</b>	1,478	(>100%)
<b>5. Financial Services &amp; Investment Holding</b>	<b>100,125</b>	74,293	35%	<b>193,966</b>	140,983	38%
<b>Pre-tax profit</b>	<b>145,822</b>	122,855	19%	<b>271,856</b>	219,588	24%
Comprised of:						
Pre-tax profit from the business	<b>57,490</b>	56,545	2%	<b>95,923</b>	97,022	(1%)
Share of results of associates and a joint venture	<b>88,332</b>	66,310	33%	<b>175,933</b>	122,566	44%
<b>Pre-tax profit</b>	<b>145,822</b>	122,855	19%	<b>271,856</b>	219,588	24%

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**B1. Performance analysis of the Group for the current quarter and current year to date ended 30 June 2023 (Cont'd)**

*(a) Current Quarter ("2Q23") compared with Comparative Quarter of Preceding Year ("2Q22")*

The Group achieved revenue of RM397.4 million for the second quarter ended 30 June 2023 compared with RM334.7 million and pre-tax profit of RM145.8 million compared with RM122.9 million in 2Q22. All of the business segments of the Group showed an improvement in revenue. During the quarter under review, the Financial Services & Investment Holding and Industries Segments recorded improved performance while the results of the Property, Construction and Hospitality Segments were slightly lower compared to the same quarter of last year.

The Property Segment reported revenue of RM217.7 million in 2Q23 and RM192.1 million in 2Q22. However, the pre-tax profit recorded was lower at RM33.5 million compared to RM41.2 million in the same period a year ago. The Property Development Division recorded a lower pre-tax profit as some projects are still at their initial construction stages such as LEA by The Hills and Anya at Shorea Park in 2Q23 and lesser number of sales and settlements for our project in Melbourne. The Property Investment Division continue to generate increased rental revenue from its office buildings and Atria Shopping Gallery in line with the gradual increase in its occupancy rates.

The Construction Segment recorded revenue of RM57.1 million and a pre-tax loss of RM0.3 million in 2Q23. The improvement in the revenue of the Construction Segment was due to higher progress billings from the ongoing projects derived from the Property Development Division.

The Industries Segment recorded higher revenue of RM102.4 million and pre-tax profit improved to RM12.8 million in 2Q23, compared to RM75.6 million and RM5.4 million in 2Q22. Both cables and IBS divisions have recorded improved performance in 2Q23 in line with higher sales generated from the delivery of cables and IBS wall-panel to customers. The profit margin has also improved as material prices have stabilised, though remained elevated, and better control of wastages and machine downtime.

The Hospitality Segment reported revenue of RM21.1 million and a pre-tax loss of RM0.4 million in 2Q23 compared with revenue of RM21.0 million and pre-tax profit of RM2.1 million in 2Q22. Demand for leisure and business travel are poised to remain strong. The decline in pre-tax performance was mainly due to the loss of revenue from the partial closure of Swiss-Garden Beach Resort Kuantan for upgrading and refurbishment of the hotel which commenced in April 2023. In addition, the operation of Swiss-Garden Hotel and Residence Genting Highland has changed to incentive-based after the expiry of the Guarantee Rental Return Scheme ("GRR"). The pre-tax profit was further impacted by the increase in the depreciation charge during the year was higher upon completion of the refurbishment in DoubleTree by Hilton Damai Laut Resort in September 2022. There was also a gain of RM0.9 million on the disposal of hotel property recorded in the same quarter of a year ago.

The Capital Financing Division recorded revenue of RM40.2 million and pre-tax profit of RM21.2 million in 2Q23, compared to RM26.2 million and RM16.3 million in 2Q22. Despite an increase in revenue and pre-tax profit from the expanded loan book, the pre-tax profit margin was lower compared to 2Q22 due to different net interest margins from the composition of loans disbursed. The net interest margin also varies according to geographical location. The outstanding loan book stood at RM1.5 billion as at 30 June 2023 compared with RM932.7 million as at 30 June 2022.

The Investment Holding Division contributed a pre-tax profit of RM78.9 million in 2Q23 compared with RM58.0 million in 2Q22. The pre-tax profit for the Division was mainly contributed by RHB Group amounting to RM82.7 million in 2Q23 (2Q22: RM62.0 million).

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**B1. Performance analysis of the Group for the current quarter and current year to date ended 30 June 2023 (Cont'd)**

*(b) Current Year To Date ("6M23") compared with Preceding Year To Date ("6M22")*

The Group recorded revenue of RM730.6 million and pre-tax profit of RM271.9 million in 6M23, representing an increase of 14% and 24% respectively, compared to 6M22. All the business segments reported an increase in revenue in 6M23. The pre-tax performance of Financial Services & Investment Holding, Industries and Construction Segments improved while the Property Segment contributed a lower profit whilst the Hospitality Segment reported a pre-tax loss in the current period.

The Property Segment reported a revenue of RM392.2 million and a pre-tax profit of RM60.1 million in 6M23. Despite recording a higher revenue in 6M23 compared to 6M22, the pre-tax profit saw a decline from RM67.7 million in 6M22 due to lower profit recognised from some projects that have reached completion stage. In addition, some projects that were newly launched, LEA by The Hills and Anya at Shorea Park were at their initial stages where pre-tax profit recognised were outweighed by the upfront sales and marketing cost incurred. The above was cushioned by the higher share of profit from associates of RM6.6 million in 6M23 (6M22: RM4.2 million). The Property Investment Division continues to generate stable rental revenue from its office buildings and Atria Shopping Gallery and recorded a higher share of profit from an associate of RM8.7 million arising from the fair value gain on investment properties and gains on disposal of an investment property recorded in 6M23.

The Construction Segment recorded revenue of RM100.8 million and a lower pre-tax loss of RM0.7 million in 6M23. The Construction Segment continue to focus on internal projects, as such, the recognition of revenue and pre-tax profit of the segment depends on the sales and progress billings to purchasers of the Property Development Division.

The Industries Segment registered revenue of RM183.5 million and pre-tax profit of RM19.2 million, improved 30% and 82% respectively compared to the same period last year. The improvement in pre-tax profit was underpinned by higher demand from customers. As the factory production capacity utilisation increase due to the higher demand, the profit margin continues to improve due to higher efficiency of the fixed overhead coupled with the stabilisation of raw material prices. The shortage of workers faced in 2022 has also been overcome in the current year, thus, improving production efficiency.

The Hospitality Segment recorded revenue of RM45.1 million in 6M23 compared to RM38.3 million in 6M22. Despite higher revenue, Hospitality Segment reported a pre-tax loss of RM0.7 million in 6M23 compared to a pre-tax profit of RM1.5 million in 6M22. The lower in pre-tax performance was mainly due to the loss of revenue from the partial closure of Swiss-Garden Beach Resort Kuantan since April 2023 for upgrading and refurbishment of the hotel and change in the hotel operation for Swiss-Garden Hotel and Residence Genting Highland to incentive-based after the expiry of the GRR. In addition, the depreciation charge during the year was higher upon completion of the refurbishment in DoubleTree by Hilton Damai Laut Resort in September 2022. There was also a gain of RM0.9 million on the disposal of hotel property recorded in the same period a year ago.

The Capital Financing Division reported a pre-tax profit of RM39.6 million in 6M23 compared to RM31.3 million in 6M22. The higher pre-tax profit was due to the growth in the loans book to RM1.5 billion as at 30 June 2023 from RM932.7 million as at 30 June 2022.

The Investment Holding Division registered a pre-tax profit of RM154.3 million in 6M23, representing an increase of 41% compared to 6M22. The higher pre-tax profit was mainly attributable to higher contribution by RHB Group amounting to RM160.6 million in 6M23 compared to RM119.0 million in 6M22.

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

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

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

	<b>Current quarter ended 30.6.2023 2Q23 RM'000</b>	Immediate preceding quarter ended 31.3.2023 1Q23 RM'000	change %
<b><u>Revenue</u></b>			
<b>1. Property</b>	<b>217,694</b>	174,472	25%
<i>Construction revenue</i>	<i>57,106</i>	<i>43,725</i>	<i>31%</i>
<i>Inter-segment revenue</i>	<i>(57,106)</i>	<i>(43,725)</i>	<i>(31%)</i>
<b>2. Construction</b>	-	-	-
<b>3. Industries</b>	<b>102,437</b>	81,061	26%
<b>4. Hospitality</b>	<b>21,141</b>	24,001	(12%)
<b>5. Financial Services &amp; Investment Holding</b>	<b>56,171</b>	53,667	5%
Revenue	<b>397,443</b>	333,201	19%
<b><u>Pre-tax profit/(loss)</u></b>			
<b>1. Property</b>	<b>33,539</b>	26,572	26%
<b>2. Construction</b>	<b>(321)</b>	(400)	20%
<b>3. Industries</b>	<b>12,847</b>	6,399	>100%
<b>4. Hospitality</b>	<b>(368)</b>	(378)	3%
<b>5. Financial Services &amp; Investment Holding</b>	<b>100,125</b>	93,841	7%
Pre-tax profit	<b>145,822</b>	126,034	16%
Comprised of:			
Pre-tax profit from the business	<b>57,490</b>	38,433	50%
Share of results of associates and a joint venture	<b>88,332</b>	87,601	1%
Pre-tax profit	<b>145,822</b>	126,034	16%

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

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

*Current Quarter ("2Q23") compared with Immediate Preceding Quarter ("1Q23")*

The Group's revenue and pre-tax profit of RM397.4 million and RM145.8 million rose 19% and 16% respectively for the second quarter of 2023 compared to a quarter earlier. All business segments showed improvement in pre-tax profit during the quarter under review.

The Property Segment registered higher revenue and pre-tax profit of RM217.7 million and RM33.5 million respectively compared to 1Q23. The improvement was derived from the higher revenue and progress work recognised for the ongoing projects, i.e. Iringan Bayu, Bandar Puteri Jaya, YouCity III and Shorea Park. The Property Investment Division continues to generate rental revenue from its office buildings and Atria Shopping Gallery with a gradual increase in occupancy rates.

The Construction Segment posted revenue of RM57.1 million in 2Q23 compared with RM43.7 million in 1Q23. It recorded a pre-tax loss of RM0.3 million in 2Q23 compared to a pre-tax loss of RM0.4 million in 1Q23. The better performance was in line with the progress billings of the Property Development Division.

The Industries Segment reported higher revenue and pre-tax profit of RM102.4 million and RM12.8 million in 2Q23, representing an increase of 26% in revenue and doubled pre-tax profit. The improvement in pre-tax profit was due to higher sales and improved profit margin. The factories were on higher capacity utilisation as orders improved, thus, reducing the fixed overhead cost per unit produced, resulting in an improved profit margin.

The Hospitality Segment reported a slight decline in revenue to RM21.1 million in 2Q23 from RM24.0 million in 1Q23 while the pre-tax loss was maintained at RM0.4 million for both quarters. Despite the partial closure of Swiss-Garden Beach Resort Kuantan for upgrading and refurbishment since April 2023, the loss of revenue and profit were cushioned by the better performance of Double Tree Resort by Hilton Damai Laut and Holiday Inn Express & Suites at Johor Bahru.

The Capital Financing Division recorded a 13% increase in revenue to RM40.2 million in 2Q23 compared with a quarter ago. The pre-tax profit for 2Q23 increased by 15% to RM21.2 million from RM18.4 million in 1Q23 due to higher average disbursement of loans during the quarter.

The pre-tax profit of the Investment Holding Division improved by 5% to RM78.9 million compared with a quarter ago as a result of the higher profit contribution of RHB Group.

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

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

(a) Prospects for the remaining year 2023 ("FY23")

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 the ongoing projects. The Division launched Anya, Shorea Park at Puchong, LEA by The Hills at Melawati and Rubica at Butterworth in the second half of 2022. These projects, coupled with the four ongoing phases in our township development in Iringan Bayu in Seremban and Bandar Puteri Jaya in Sungai Petani will provide a sustainable revenue stream for the Division in line with the construction progress.

Over in Melbourne, Australia, we launched Stage 2, namely BLVD at Melbourne Square ("MSQ") in April 2023. BLVD is a high-rise residential apartment with about 593 units on a single tower. The take-up rate since the launch in April 2023 was encouraging. Apart from selling the off-the-plan units for BLVD, we will continue to focus on selling the balance of the completed residential units from Stage 1 in MSQ.

As at 30 June 2023, the Group's effective unbilled sales stood at RM1.1 billion with minimal unsold completed stocks. The Group has a total land bank measured at 1,993 acres with an estimated effective GDV of RM15.5 billion that are strategically located in the Klang Valley, Sungai Petani, Butterworth, Kuantan, Seremban in Malaysia and Melbourne, Australia. Property Development Division will remain one of the key contributors to the performance of the Group for the remaining FY23.

The Construction Segment will focus to deliver its current outstanding order book which stood at RM353.6 million as at 30 June 2023. This Division will continue to support the Property Development Division in building quality homes within cost and time.

The performance of Industries Segment is expected to perform well for the remaining year with its strong order book. Both the Cables and IBS Divisions will continue to explore new market opportunities and implement measures to improve production efficiency. The expansion of the cable manufacturing facilities with new production lines and the IBS factory with the new light-weight products will enable the Segment to tap into new markets.

The hospitality industry is expected to be stable for the rest of FY23. The partnerships with international operators for the rebranded hotels, DoubleTree by Hilton Damai Laut Resort and Holiday Inn Express & Suites Johor Bahru, are expected to further enhance the value proposition of the Division.

The performance of the Financial Services & 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, both in Malaysia and Australia. With the expansion of its financing portfolio and product offerings, the Division is expected to deliver stronger financial performance to the Group for the remaining FY23.

Based on the assessment of the respective businesses, the Group is confident to deliver satisfactory results for the remaining quarters of FY23.

(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 SECOND QUARTER ENDED 30 JUNE 2023**

**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**

	<b>Current quarter ended 30.6.2023 RM'000</b>	<b>Current year to date ended 30.6.2023 RM'000</b>
In respect of the current year income tax	(20,756)	(34,500)
Deferred income tax	6,756	10,234
Income tax expense	<u>(14,000)</u>	<u>(24,266)</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 August 2023 (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 SECOND QUARTER ENDED 30 JUNE 2023**

**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
<b>As at 30.6.2023</b>					
<b>Secured</b>					
Bankers' acceptances - MYR	-	-	-	26,900	26,900
Medium term notes and Sukuk - MYR <sup>*</sup>	-	1,591,036	-	57,846	1,648,882
Revolving credits - MYR	-	-	-	125,950	125,950
Revolving credits - AUD (1: 3.1008)	-	-	25,000	76,767 <sup>@</sup>	76,767
Term/Bridging - MYR	-	59,798	-	5,212	65,010
		<u>1,650,834</u>		<u>292,675</u>	<u>1,943,509</u>
<b>Unsecured</b>					
Revolving credits - MYR	-	-	-	885,520	885,520
Revolving credits - AUD (1: 3.1008)	-	-	45,895	142,311	142,311
		<u>-</u>		<u>1,027,831</u>	<u>1,027,831</u>
<b>Total</b>		<u>1,650,834</u>		<u>1,320,506</u>	<u>2,971,340</u>
<b>As at 31.12.2022</b>					
<b>Secured</b>					
Bankers' acceptances - MYR	-	-	-	9,700	9,700
Medium term notes and Sukuk - MYR <sup>*</sup>	-	1,640,985	-	53,337	1,694,322
Revolving credits - MYR	-	-	-	122,951	122,951
Revolving credits - AUD (1: 2.9887)	-	-	25,000	74,128 <sup>@</sup>	74,128
Term/Bridging - MYR	-	59,047	-	5,300	64,347
Term loan - USD (1: 4.4130) <sup>#</sup>	-	-	32,400	142,981	142,981
		<u>1,700,032</u>		<u>408,397</u>	<u>2,108,429</u>
<b>Unsecured</b>					
Revolving credits - MYR	-	-	-	707,370	707,370
Revolving credits - AUD (1: 2.9887)	-	-	69,900	208,910	208,910
		<u>-</u>		<u>916,280</u>	<u>916,280</u>
<b>Total</b>		<u>1,700,032</u>		<u>1,324,677</u>	<u>3,024,709</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. On 30 January 2023, the hedge instrument has expired.

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**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 the repayment of USD term borrowing.
- (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. The USD borrowing was fully repaid on 30 January 2023.

**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**

- (a) The Board of Directors has approved to declare a single-tier interim dividend of 3.0 sen (6M22: 2.0 sen) per share for the year ending 31 December 2023. The entitlement and payment date have been fixed on 15 September 2023 and 13 October 2023, respectively.
- (b) Total dividend declared for the current year to date is 3.0 sen (6M22: 2.0 sen) per ordinary share.

**B11. Earnings Per Share ("EPS")**

	<b>Current quarter ended 30.6.2023</b>	Comparative quarter ended 30.6.2022 (Restated)	<b>Current year to date ended 30.6.2023</b>	Preceding year to date ended 30.6.2022 (Restated)
Profit attributable to Owners of the Company (RM'000)	<b>131,035</b>	105,746	<b>246,125</b>	190,186
Weighted average number of ordinary shares outstanding ('000)	<b>2,062,104</b>	2,062,104	<b>2,062,104</b>	2,062,104
<b>Basic / Diluted EPS (sen)</b>	<b>6.35</b>	5.13	<b>11.94</b>	9.22

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 SECOND QUARTER ENDED 30 JUNE 2023**

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

	Current quarter ended <b>30.6.2023</b> RM'000	Comparative quarter ended 30.6.2022 RM'000	Current year to date ended <b>30.6.2023</b> RM'000	Preceding year to date ended 30.6.2022 RM'000
<b>Profit before tax is arrived at after crediting/(charging):</b>				
(i) <u>Revenue</u>				
Interest income	35,722	22,357	67,232	44,552
Rental income	8,993	7,841	17,934	15,695
(ii) <u>Cost of sales</u>				
Funding costs	(13,162)	(5,965)	(24,787)	(11,989)
(iii) <u>Other income</u>				
Dividend income	9	9	9	9
Funds distribution income	1,988	1,878	4,079	2,315
Gain on disposals of property, plant and equipment	3	1,003	46	1,014
Gain on fair valuation of:				
- biological assets	14	-	-	293
- securities at fair value through profit or loss	7	-	-	-
- short-term funds	151	43	1,267	1,090
Gain on redemption of short-term funds	1,084	415	1,246	415
Foreign currency transactions gains	2	-	2,549	2
Foreign currency translations gains	468	126	368	24
Interest income	1,519	1,506	3,432	2,169
Recovery of bad debts of:				
- capital financing	-	31	-	31
- trade and other receivables	2	-	2	-
Write back of allowance for impairment losses on:				
- capital financing:				
- collective assessment	43	850	58	383
- individual assessment	1,303	-	1,303	7
- trade and other receivables:				
- collective assessment	164	327	325	1,055
- individual assessment	588	303	1,334	871
(iv) <u>Administrative expenses</u>				
Depreciation and amortisation	(6,021)	(9,080)	(12,905)	(18,195)
Selling and marketing expenses	(4,729)	(4,673)	(10,438)	(9,444)
(v) <u>Other items of expense</u>				
Impairment loss on:				
- capital financing:				
- collective assessment	(215)	-	(404)	(217)
- individual assessment	(495)	(652)	(705)	(680)
- trade and other receivables:				
- collective assessment	(1,423)	(343)	(1,449)	(893)
- individual assessment	(584)	(116)	(823)	(1,683)

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

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

	<b>Current quarter ended 30.6.2023</b>	Comparative quarter ended 30.6.2022	<b>Current year to date ended 30.6.2023</b>	Preceding year to date ended 30.6.2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Profit before tax is arrived at after crediting/(charging): (Cont'd)</b>				
(v) <u>Other items of expense (Cont'd)</u>				
Loss on disposals of plant and equipment	<b>(10)</b>	(18)	<b>(112)</b>	(124)
Loss on fair valuation of:				
- biological assets	-	(14)	<b>(169)</b>	-
- securities at fair value through profit or loss	-	(33)	<b>(23)</b>	(28)
- short-term funds	<b>(272)</b>	(2,404)	<b>(272)</b>	(2,633)
Foreign currency transactions loss	<b>(280)</b>	(194)	<b>(474)</b>	(18)
Foreign currency translations loss	-	-	<b>(2,535)</b>	(11)
Reclassified the loss on fair value of cash flow hedge upon maturity from other comprehensive income	<b>(89)</b>	-	<b>(89)</b>	-
Effect of foreign currency translation upon maturity of cash flow hedge	<b>89</b>	-	<b>89</b>	-
Write off of:				
- bad debts on trade and other receivables	-	(31)	-	(31)
- plant and equipment	<b>(167)</b>	(140)	<b>(194)</b>	(140)
(vi) <u>Finance costs</u>				
Interest expense	<b>(10,363)</b>	(10,012)	<b>(21,256)</b>	(20,010)

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**

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 matured 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.

On 30 January 2023, the hedge instrument has expired and the hedged transaction is no longer expected to occur. Hence, the hedge has been revoked. The total fair value changes of the hedge instrument of RM89,000 which were previously recognised in other comprehensive income are reclassified to statement of profit or loss.

**QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2023**

**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 June 2023.

**By Order of the Board**

**Tan Sri Ong Leong Huat**  
**Executive Chairman**  
Kuala Lumpur  
29 August 2023