

QUARTERLY REPORT FOR THE THIRD QUARTER 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

	Note	Current quarter ended 30.9.2023 RM'000	Comparative quarter ended 30.9.2022 (Restated) RM'000	Current year to date ended 30.9.2023 RM'000	Preceding year to date ended 30.9.2022 (Restated) RM'000
Revenue		433,635	347,070	1,164,279	988,188
Cost of sales		(299,890)	(240,792)	(827,754)	(680,880)
Gross profit		133,745	106,278	336,525	307,308
Other income		7,723	7,349	27,758	19,907
Administrative expenses		(51,006)	(51,420)	(146,736)	(141,219)
Other expenses		(1,663)	(1,447)	(10,909)	(7,817)
		88,799	60,760	206,638	178,179
Finance costs		(11,412)	(9,580)	(33,328)	(29,977)
		77,387	51,180	173,310	148,202
Share of results of associates and a joint venture, net of tax		65,406	79,697	241,339	202,263
Profit before tax	B13	142,793	130,877	414,649	350,465
Tax expense	B6	(18,624)	(17,175)	(42,890)	(45,603)
Profit after tax		124,169	113,702	371,759	304,862
Profit attributable to:					
Owners of the Company		123,031	112,851	369,156	303,037
Non-controlling interests		1,138	851	2,603	1,825
		124,169	113,702	371,759	304,862
Earnings per share attributable to Owners of the Company (sen):					
Basic/Diluted	B11	5.97	5.47	17.90	14.70

(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 THIRD QUARTER 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

	Current quarter ended 30.9.2023	Comparative quarter ended 30.9.2022 (Restated)	Current year to date ended 30.9.2023	Preceding year to date ended 30.9.2022 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit after tax	124,169	113,702	371,759	304,862
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)	-	903
- Foreign currency translation (loss)/gain	(13,138)	(4,941)	7,402	(3,301)
(b) Reclassified to profit or loss:				
- Fair value of cash flow hedge upon maturity	-	-	89	-
	(13,138)	(5,287)	7,491	(2,398)
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	24	209	3,337	(1,821)
(b) Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
- Foreign currency translation reserves	(840)	11,852	21,005	23,038
- FVTOCI and other reserves	(13,156)	(20,630)	23,935	(144,710)
	(13,972)	(8,569)	48,277	(123,493)
Total other comprehensive (expenses)/income for the period, net of tax	(27,110)	(13,856)	55,768	(125,891)
Total comprehensive income	97,059	99,846	427,527	178,971
Total comprehensive income attributable to:				
Owners of the Company	96,250	99,129	424,750	177,236
Non-controlling interests	809	717	2,777	1,735
	97,059	99,846	427,527	178,971

(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 THIRD QUARTER 2023

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

	Note	As at 30.9.2023	As at 31.12.2022 (Restated)	As at 1.1.2022 (Restated)
		RM'000	RM'000	RM'000
Assets:				
Non-current				
Property, plant and equipment		594,714	570,607	564,251
Investment properties		497,471	489,935	476,318
Investments in associates and a joint venture		4,110,227	3,975,650	3,924,987
Intangible assets		3,469	2,503	2,579
Right-of-use assets		48,551	50,214	62,258
Inventories		1,533,818	1,471,510	1,514,701
Deferred tax assets		93,375	89,179	69,568
Capital financing		414,999	241,813	291,657
Trade receivables		7,928	8,137	22,926
Other assets		1,132	1,758	2,428
Derivative asset	B14	-	-	1,926
		7,305,684	6,901,306	6,933,599
Current				
Inventories		293,151	342,143	322,817
Capital financing		1,238,255	1,155,003	688,127
Trade receivables		187,779	223,054	212,909
Other assets		125,622	42,804	26,788
Contract assets		371,687	276,409	185,621
Derivative asset	B14	-	10,570	-
Biological assets		372	519	524
Tax recoverable		5,708	17,084	18,972
Securities at fair value through profit or loss		271	239	227
Cash, bank balances and short-term funds		640,420	712,653	831,733
		2,863,265	2,780,478	2,287,718
Total Assets		10,168,949	9,681,784	9,221,317

QUARTERLY REPORT FOR THE THIRD QUARTER 2023

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

	Note	As at 30.9.2023	As at 31.12.2022 (Restated)	As at 1.1.2022 (Restated)
		RM'000	RM'000	RM'000
Liabilities:				
Non-current				
Borrowings	A5(b),(c),(d),B8(a)	2,034,153	1,700,032	1,870,380
Trade payables		26,361	19,536	16,748
Other liabilities		2,666	3,501	30,467
Contract liabilities and deferred income		73,197	78,464	86,906
Lease liabilities		186	398	1,210
Deferred tax liabilities		76,369	88,347	99,236
		2,212,932	1,890,278	2,104,947
Current				
Borrowings	A5(b),(c),(d),B8(a)	1,112,377	1,324,677	880,737
Trade payables		99,362	97,996	76,371
Other liabilities		602,852	576,905	559,117
Contract liabilities and deferred income		16,864	16,531	23,520
Lease liabilities		665	1,862	13,302
Tax payable		26,334	16,807	18,116
		1,858,454	2,034,778	1,571,163
Total Liabilities		4,071,386	3,925,056	3,676,110
Net Assets		6,097,563	5,756,728	5,545,207
Equity:				
Share capital		2,095,311	2,095,311	2,095,311
Treasury shares, at cost	A5(a)	(43,226)	(43,226)	(43,226)
		2,052,085	2,052,085	2,052,085
Reserves		3,972,048	3,629,768	3,421,319
Issued capital and reserves attributable to				
Owners of the Company		6,024,133	5,681,853	5,473,404
Non-controlling interests		73,430	74,875	71,803
Total Equity		6,097,563	5,756,728	5,545,207
Net Assets per share attributable to				
Owners of the Company (RM)		2.92	2.76	2.65
Number of outstanding ordinary shares in issue ('000)		2,062,104	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 2022)

QUARTERLY REPORT FOR THE THIRD QUARTER 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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				
As at 1.1.2023											
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	-	-	-	-	-	-	369,156	369,156	2,603	371,759	
Fair value of cash flow hedge upon maturity	B14	-	-	-	-	89	-	89	-	89	
Foreign currency translation gain		-	-	-	7,223	-	-	7,223	179	7,402	
Share of other comprehensive income/(expenses) and reserves of associates accounted for using the equity method:											
- Foreign currency translation reserves		-	-	-	21,005	-	-	21,005	-	21,005	
- FVTOCI and other reserves		-	-	-	-	-	27,277	27,277	(5)	27,272	
Other comprehensive income		-	-	-	28,228	89	27,277	55,594	174	55,768	
Total comprehensive income		-	-	-	28,228	89	27,277	424,750	2,777	427,527	
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	
Total changes in ownership interest in a subsidiary		-	-	-	-	-	14	14	(25)	(11)	
Total transactions with Owners in their capacity as Owners		-	-	-	-	-	(82,470)	(82,470)	(4,222)	(86,692)	
As at 30.9.2023		2,095,311	(43,226)	63,451	48,092	-	(48,132)	3,908,637	6,024,133	73,430	6,097,563

QUARTERLY REPORT FOR THE THIRD QUARTER 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	RM'000
As at 1.1.2022										
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	-	-	-	-	-	-	303,037	303,037	1,825	304,862
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 the 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)	303,037	177,236	1,735	178,971
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:										
- Accretion 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)	3,542,258	5,568,429	69,278	5,637,707

(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 THIRD QUARTER 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

	Current year to date ended 30.9.2023	Preceding year to date ended 30.9.2022 (Restated)
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	414,649	350,465
Adjustments for:		
Non-cash and non-operating items	(18,884)	5,923
Share of results of associates and a joint venture	(241,339)	(202,263)
Operating profit before changes in working capital	154,426	154,125
<i>Decrease/(Increase) in:</i>		
Inventories	26,390	104,836
Trade receivables	38,176	7,290
Other assets	(14,034)	(13,184)
Contract assets	(95,277)	(64,627)
<i>Increase/(Decrease) in:</i>		
Trade payables	8,341	17,288
Other liabilities	52,932	(44,830)
Contract liabilities and deferred income	(4,960)	(14,185)
	11,568	(7,412)
<i>Increase in:</i>		
Capital financing net disbursement	(252,743)	(159,742)
<i>Changes in working capital</i>	(241,175)	(167,154)
Cash used in operations	(86,749)	(13,029)
Income tax paid	(52,240)	(41,740)
Income tax refunded	14,085	441
Interest/profit paid	(58,898)	(39,310)
Interest/profit received	107,911	70,315
Net cash used in operating activities	(75,891)	(23,323)
Cash Flows From Investing Activities		
<i>Investment, divestment and income from investments:</i>		
Acquisitions of additional shares in a subsidiary from non-controlling interests	(11)	(664)
Dividends received from securities at fair value through profit or loss	9	9
Investment properties expenditure	(7,537)	(5,293)
Funds distribution income received	5,366	3,264
Interest/profit received	5,773	3,418
Proceeds from disposals of plant and equipment	232	9,370
<i>Sub-total carried forward</i>	3,832	10,104

QUARTERLY REPORT FOR THE THIRD QUARTER 2023

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

	Note	Current year to date ended 30.9.2023 RM'000	Preceding year to date ended 30.9.2022 (Restated) RM'000
Cash Flows From Investing Activities (Cont'd)			
<i>Sub-total brought forward</i>		3,832	10,104
Purchase of:			
- lands for property development		(53,045)	-
- property, plant and equipment		(48,531)	(33,233)
- software licences		(1,321)	(307)
Dividends received from associates		95,839	78,257
Net cash (used in)/from investing activities		(3,226)	54,821
Cash Flows From Financing Activities			
<i>Funding in business:</i>			
Expenses incurred on borrowings		(777)	(749)
<i>Drawdowns/(Repayments):</i>			
Proceeds from issuance/drawdowns of:			
- medium term notes and Sukuk	A5(d)(iii)	500,000	-
- term and bankers' acceptances		30,985	20,380
- revolving credits - net		-	41,836
Redemptions/Repayments of:			
- medium term notes and Sukuk	A5(b)(i),(ii),(iii),(c)(i),(ii)	(63,525)	(35,918)
- term and bankers' acceptances		(149,418)	(94,765)
- revolving credits - net		(189,578)	-
<i>Net drawdowns/(repayments)</i>		128,464	(68,467)
Interest/profit paid		(30,290)	(27,515)
Payment of lease liabilities		(1,851)	(13,429)
<i>Dividends:</i>			
Dividend paid to:			
- Owners of the Company	A6	(82,484)	(82,484)
- Non-controlling interests		(4,197)	(3,323)
<i>Net dealing with Owners</i>		(86,681)	(85,807)
Net cash from/(used in) financing activities		8,865	(195,967)
Net decrease in cash and cash equivalents		(70,252)	(164,469)
Effects of exchange rate changes		(1,981)	(43)
Cash and cash equivalents at beginning of the period		712,653	831,733
Cash and cash equivalents at end of the period, comprised cash, bank balances and short-term funds		640,420	667,221

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

Explanatory notes to Quarterly Report for the current year to date ended 30 September 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 explain 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 the 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 does not have any significant financial impact to the Group.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 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 the 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
Reconciliation of Statement of Financial Position as at 1.1.2022			
Assets:			
Non-current - Investment in associates and a joint venture	3,919,623	5,364	3,924,987
Total Assets	9,215,953	5,364	9,221,317
Equity:			
Retained profits	3,316,068	5,364	3,321,432
Reserves	3,415,955	5,364	3,421,319
Total Equity	5,539,843	5,364	5,545,207
Net Assets per share attributable to Owners of the Company (RM)	2.65	- @	2.65
Reconciliation of Statement of Financial Position as at 31.12.2022			
Assets:			
Non-current - Investment in associates and a joint venture	3,973,505	2,145	3,975,650
Total Assets	9,679,639	2,145	9,681,784
Equity:			
Retained profits	3,619,806	2,145	3,621,951
Reserves	3,627,623	2,145	3,629,768
Total Equity	5,754,583	2,145	5,756,728
Net Assets per share attributable to Owners of the Company (RM)	2.75	0.01	2.76
Reconciliation of Statement of Profit or Loss for the nine months ended 30.9.2022			
Share of results of associates and a joint venture, net of tax	205,091	(2,828)	202,263
Profit before tax	353,293	(2,828)	350,465
Profit after tax	307,690	(2,828)	304,862
Profit attributable to Owners of the Company	305,865	(2,828)	303,037
Earnings per share attributable to Owners of the Company (sen):			
Basic/Diluted	14.83	(0.13)	14.70

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QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

A2. Seasonality or cyclical 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 issuances, cancellations, resales 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 the 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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 September 2023, the outstanding amount of Tranche 3 of MTN2 stood at RM83.0 million.

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 THIRD QUARTER ENDED 30 SEPTEMBER 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, 20 April 2023 and 21 July 2023, OSKICM redeemed RM7.0 million, RM8.0 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 RM62.0 million. As at 30 September 2023, the outstanding amount of Tranche 2 of Sukuk 1 stood at RM31.0 million.

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 has been no redemption since the first issuance date. As at 30 September 2023, the outstanding amount of Tranche 4 of Sukuk 1 stood at RM132.0 million.

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 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 values 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 the 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 September 2023, the outstanding amount of Tranche 1 of MTN3 stood at RM141.7 million.

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 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 values in aggregate, guaranteed by the Company (Cont'd)

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

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

On 29 September 2023, OSKICM redeemed RM10.0 million of Tranche 4 of MTN3. Since the first issuance on 30 September 2020, the total amount redeemed in respect of Tranche 4 of MTN3 amounted to RM20.0 million. As at 30 September 2023, the outstanding amount of Tranche 4 of MTN3 stood at RM180.0 million.

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

Tranche 2, Tranche 3, Tranche 4 and Tranche 5 of MTN3 are secured by:

- (1) first-party legal charge by the way of a 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 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_{IS}/AA with a stable outlook to OSKRB's Sukuk-R/MCMTN-R. On 8 November 2023, MARC has affirmed its AA_{IS}/AA ratings on OSKRB's Sukuk-R/MCMTN-R with a 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 a fixed rate of 3.55% per annum. Proceeds from both issuances were utilised for working capital and repayment of bank borrowings of the Group.

There has been no redemption since the issuance date. As at 30 September 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 issuances were utilised for working capital and repayment of bank borrowings of the Group.

There has been no redemption since the issuance date. As at 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 (Cont'd)**

(iii) **Series 4 and Series 5 of Sukuk-R**

On 15 September 2023, OSKRB issued (i) Series 4 of Sukuk-R of RM300.0 million with a tenure of 7 years maturing on 13 September 2030 at a fixed rate of 4.49% per annum; (ii) Series 5 of Sukuk-R of RM200.0 million with a tenure of 10 years maturing on 15 September 2033 at a fixed rate of 4.59% per annum. Proceeds from both issuances were utilised for working capital and repayment of bank borrowings of the Group.

There has been no redemption since the issuance date. As at 30 September 2023, the outstanding amount of Series 4 and Series 5 of Sukuk-R stood at RM300.0 million and RM200.0 million respectively.

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

	<u>For current year to date</u>		<u>As at 30 September 2023</u>				
	<u>Issuance</u>	<u>Redemption</u>	<u>Outstanding amounts</u>	<u>DSRA balances</u>	<u>FSRA balances</u>	<u>PA balances</u>	<u>TRA balances</u>
	<u>RM'000</u>	<u>RM'000</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	-	3,896	42,867	-	-	19	} 33
(2) Tranche 2 of MTN2	-	2,129	23,143	-	-	40	
(3) Tranche 3 of MTN2	-	17,000	83,000	283	-	-	
(4) Tranche 2 of Sukuk 1	-	23,000	30,971	-	1,304	-	} 34
(5) Tranche 4 of Sukuk 1	-	-	132,000	-	373	-	
(6) Tranche 1 of MTN3	-	7,500	141,700	751	-	-	} 33
(7) Tranche 2 of MTN3	-	-	100,000	397	-	-	
(8) Tranche 3 of MTN3	-	-	100,000	397	-	-	
(9) Tranche 4 of MTN3	-	10,000	180,000	699	-	-	
(10) Tranche 5 of MTN3	-	-	100,000	397	-	-	
(11) Series 1 of MCMTN-R	-	-	20,000	-	-	-	} 31
(12) Series 1 of Sukuk-R	-	-	100,000	-	-	-	
(13) Series 2 of Sukuk-R	-	-	373,000	-	-	-	} 31
(14) Series 3 of Sukuk-R	-	-	205,000	-	-	-	
(15) Series 4 of Sukuk-R	300,000	-	300,000	-	-	-	
(16) Series 5 of Sukuk-R	200,000	-	200,000	-	-	-	
	<u>500,000</u>	<u>63,525</u>	<u>2,131,681</u>	<u>2,924</u>	<u>1,677</u>	<u>59</u>	<u>162</u>
Less: Unamortised issuance expenses			<u>(761)</u>				
			<u>2,130,920</u>				

The interest rates of MTNs and profit rates of Sukuk ranged from 3.89% to 5.08% per annum.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

A6. Dividends paid during the current year to date

	Current year to date ended <u>30.9.2023</u>	Preceding year to date ended 30.9.2022
Dividend paid (RM'000)	82,484	82,484
Single-tier final dividend per share (sen)	4.0	4.0
Number of ordinary shares on which dividend was paid ('000)	2,062,104	2,062,104
Date of payment	<u>12.05.2023</u>	<u>13.05.2022</u>

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

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 retail space.

(b) Construction

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

(c) Industries

- (i) Olympic Cables - Manufacturing and sale of power cables are 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.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

A7. Segmental information (Cont'd)

The five core business segments are described as follows: (Cont'd)

(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 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
Current year to date ended 30.9.2023						
Revenue						
Total revenue	627,506	156,408	308,000	71,331	795,512	1,958,757
Inter-segment revenue	(3,805)	(156,408)	(2,881)	-	(110,782)	(273,876)
Dividends from:						
- subsidiaries	-	-	-	-	(337,236)	(337,236)
- associates	(9,000)	-	-	-	(174,366)	(183,366)
Revenue from external parties	614,701	-	305,119	71,331	173,128	1,164,279
Results						
Segment profit	81,729	1,087	36,403	1,708	60,301	181,228
Share of results of associates and a joint venture	14,215	-	-	-	227,124	241,339
	95,944	1,087	36,403	1,708	287,425	422,567
Elimination of unrealised profit	-	(1,989)	-	-	(5,929)	(7,918)
Profit/(Loss) before tax	95,944	(902)	36,403	1,708	281,496	414,649
Tax (expense)/income	(20,809)	458	(7,303)	403	(15,639)	(42,890)
Profit/(Loss) after tax	75,135	(444)	29,100	2,111	265,857	371,759
Preceding year to date ended 30.9.2022 (Restated)						
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	-	-	-	187,804	202,263
	109,978	(82)	12,918	2,308	227,794	352,916
Elimination of unrealised profit	-	(933)	-	-	(1,518)	(2,451)
Profit/(Loss) before tax	109,978	(1,015)	12,918	2,308	226,276	350,465
Tax (expense)/income	(26,833)	388	(3,215)	141	(16,084)	(45,603)
Profit/(Loss) after tax	83,145	(627)	9,703	2,449	210,192	304,862
(Lower)/Improve of pre-tax performance						
- in RM'000	(14,034)	113	23,485	(600)	55,220	64,184
- in %	(13%)	11%	>100%	(26%)	24%	18%

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 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
As at 30.9.2023						
Assets						
Tangible assets	3,229,534	40,538	276,143	365,480	2,044,475	5,956,170
Intangible assets	60	-	-	-	3,409	3,469
	3,229,594	40,538	276,143	365,480	2,047,884	5,959,639
Investments in associates and a joint venture	567,934	-	-	-	3,542,293	4,110,227
Segment assets	3,797,528	40,538	276,143	365,480	5,590,177	10,069,866
Deferred tax assets and tax recoverable	66,810	1,755	1,021	20,119	9,378	99,083
Total assets	3,864,338	42,293	277,164	385,599	5,599,555	10,168,949
Liabilities						
Segment liabilities	1,896,759	50,212	81,893	157,872	1,781,947	3,968,683
Deferred tax liabilities and tax payable	69,763	33	10,568	6,017	16,322	102,703
Total liabilities	1,966,522	50,245	92,461	163,889	1,798,269	4,071,386
As at 31.12.2022 (Restated)						
Assets						
Tangible assets	3,209,958	35,794	237,251	356,999	1,757,366	5,597,368
Intangible assets	80	-	-	-	2,423	2,503
	3,210,038	35,794	237,251	356,999	1,759,789	5,599,871
Investments in associates and a joint venture	556,266	-	-	-	3,419,384	3,975,650
Segment assets	3,766,304	35,794	237,251	356,999	5,179,173	9,575,521
Deferred tax assets and tax recoverable	75,556	1,203	1,321	20,423	7,760	106,263
Total assets	3,841,860	36,997	238,572	377,422	5,186,933	9,681,784
Liabilities						
Segment liabilities	1,836,410	35,884	64,814	162,679	1,720,115	3,819,902
Deferred tax liabilities and tax payable	77,937	31	7,614	6,132	13,440	105,154
Total liabilities	1,914,347	35,915	72,428	168,811	1,733,555	3,925,056
Increase in segment assets	31,224	4,744	38,892	8,481	411,004	494,345
% of increase	<1%	13%	16%	2%	8%	5%
Increase/(Decrease) in segment liabilities	60,349	14,328	17,079	(4,807)	61,832	148,781
% of increase/(decrease)	3%	40%	26%	(3%)	4%	4%

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 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>
Current year to date ended 30.9.2023			
Revenue	<u>1,144,327</u>	<u>19,952</u>	<u>1,164,279</u>
Profit before tax	<u>401,383</u>	<u>13,266</u>	<u>414,649</u>
Preceding year to date ended 30.9.2022 (Restated)			
Revenue	<u>982,665</u>	<u>5,523</u>	<u>988,188</u>
Profit before tax	<u>347,742</u>	<u>2,723</u>	<u>350,465</u>
As at 30.9.2023			
Non-current assets ^	<u>2,677,410</u>	<u>613</u>	<u>2,678,023</u>
As at 31.12.2022			
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 THIRD QUARTER ENDED 30 SEPTEMBER 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, had incorporated a wholly-owned subsidiary, Harta Harmoni Sdn. Bhd. ("HHSB") with an issued and paid-up capital of RM1 comprising one (1) ordinary share. The principal activity of HHSB is property development.
- (ii) On 27 April 2023, OSKPH had incorporated a wholly-owned subsidiary, Astana Harmoni Sdn. Bhd. ("AHSB") with an issued and paid-up capital of RM1 comprising one (1) ordinary share. The principal activity of AHSB is property development.

(b) Acquisition of additional 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 had 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:

	RM'000
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	<u>(11)</u>

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 the 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

On 12 October 2023, the Company received a cash dividend of RM65.8 million from RHB which was applied to the interim dividend in respect of the financial year ending 31 December 2023. The Company's equity interests in RHB remained at 10.24%.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

A10. Commitments

	As at 30.9.2023	As at 31.12.2022
	RM'000	RM'000
(a) Significant unrecognised contractual commitments		
Contracted but not provided for:		
- Acquisition of land held for property development	6,246	20,263
- Acquisition of office equipment, factory equipment and software licences	27,756	44,308
- Factory expansion	7,696	15,000
- Renovation costs	21,458	9,051
	63,156	88,622
(b) Operating lease commitments - the Group as lessor		
Not later than one year	20,932	23,692
Later than one year and not later than five years	27,295	36,549
Later than five years	71,356	74,673
	119,583	134,914

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 30.9.2023 RM'000</u>
(a) Associates:		
RHB Asset Management Sdn. Bhd.	- Funds distribution income	5,178
RHB Bank Berhad	- Office rental income	691
	- Interest income	1,072
	- Interest expense	(18,837)
RHB Islamic Bank Berhad	- Profit expense	(5,639)
Queensbridge Place Pty. Ltd.	- Interest income	361
(b) Other related parties:		
Acolia Sdn. Bhd.	- Building material expense	(2,636)
Acotiles Sdn. Bhd.	- Building material expense	(4,872)
DC Services Sdn. Bhd.	- Insurance premium expense	(225)
Dindings Consolidated Sdn. Bhd.	- Office rental income	371
	- Office rental expense	(252)
Dindings Design Sdn. Bhd.	- Renovation income	838
Dindings Life Agency Sdn. Bhd.	- Insurance premium expense	(609)
Raslan Loong, Shen & Eow	- Legal fees expense	(811)
Sincere Source Sdn. Bhd.	- Insurance premium expense	(1,725)
Wong Enterprise	- Sale of fresh fruit bunch	611

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 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:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 30.9.2023				
Non-financial assets				
Biological assets	-	-	372	372
Investment properties	-	14,921	434,190	449,111
Financial assets				
Securities at fair value through profit or loss	271	-	-	271
Short-term funds	287,681	-	-	287,681
	287,952	14,921	434,562	737,435
As at 31.12.2022				
Non-financial assets				
Biological assets	-	-	519	519
Investment properties	-	14,921	434,134	449,055
Financial assets				
Securities at fair value through profit or loss	239	-	-	239
Short-term funds	405,057	-	-	405,057
	405,296	14,921	434,653	854,870

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 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 September 2023

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

	Current quarter ended 30.9.2023 3Q23	Comparative quarter ended 30.9.2022 3Q22 (Restated)	change	Current year to date ended 30.9.2023 9M23	Preceding year to date ended 30.9.2022 9M22 (Restated)	change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
1. Property	222,535	199,582	12%	614,701	566,681	8%
<i>Construction revenue</i>	55,577	30,150	84%	156,408	87,745	78%
<i>Inter-segment revenue</i>	(55,577)	(30,150)	(84%)	(156,408)	(87,745)	(78%)
2. Construction	-	-	-	-	-	-
3. Industries	121,621	77,111	58%	305,119	218,476	40%
4. Hospitality	26,189	24,090	9%	71,331	62,407	14%
5. Financial Services & Investment Holding	63,290	46,287	37%	173,128	140,624	23%
Revenue	433,635	347,070	25%	1,164,279	988,188	18%
Pre-tax profit/(loss)						
1. Property	35,833	42,251	(15%)	95,944	109,978	(13%)
2. Construction	(181)	146	(>100%)	(902)	(1,015)	11%
3. Industries	17,157	2,357	>100%	36,403	12,918	>100%
4. Hospitality	2,454	830	>100%	1,708	2,308	(26%)
5. Financial Services & Investment Holding	87,530	85,293	3%	281,496	226,276	24%
Pre-tax profit	142,793	130,877	9%	414,649	350,465	18%
Comprised of:						
Pre-tax profit from the business	77,387	51,180	51%	173,310	148,202	17%
Share of results of associates and a joint venture	65,406	79,697	(18%)	241,339	202,263	19%
Pre-tax profit	142,793	130,877	9%	414,649	350,465	18%

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

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

(a) Current Year To Date ("9M23") compared with Preceding Year To Date ("9M22")

The Group recorded revenue of RM1.2 billion and pre-tax profit of RM414.6 million in 9M23, representing an increase of 18% and 18%, respectively, compared to 9M22. All the business segments reported higher revenue in 9M23. The pre-tax performance of the Property and Financial Services & Investment Holding Segments remained as the top two profit contributors to the Group despite the Property Segment contributing a lower pre-tax profit during the period under review. This was followed by the Industries Segment where the pre-tax profit improved significantly during the 9M23.

The Property Segment reported a revenue of RM614.7 million, up 8%; and a pre-tax profit of RM95.9 million, down 13%, in 9M23 compared with the same period a year ago. This Segment recorded a lower profit due to the completion of a local project that has a higher profit margin towards the 2H23. In addition, the share of profits of associates was lower at RM5.2 million (9M22: RM15.2 million) in 9M23 attributable to: (i) cost incurred in particular sales and marketing costs for Phase 2, BLVD in Melbourne that was charged directly to the income statement and lower settlement amount from the sale of completed units of Phase 1 Melbourne Square ("MSQ"); and (ii) absent of a reversal of costs accrued which were no longer necessary in 9M22 from an associate. The Property Investment Division continues to generate stable rental revenue from its office buildings and retail; and recorded a higher share of profit of an associate of RM9.0 million mainly arising from fair value gain on investment properties and gains on disposal of an investment property.

The Construction Segment recorded a lower pre-tax loss of RM0.9 million in 9M23 compared with a pre-tax loss of RM1.0 million in 9M22. The improvement in pre-tax performance was mainly due to profit recognised from the completed projects.

The Industries Segment recorded a 40% increase in revenue to RM305.1 million and 2.8 times increase in pre-tax profit to RM36.4 million in 9M23, compared to the same period a year earlier. The improved performance was due to higher deliveries to customers for both the cables and IBS wall-panel thus improved production capacity utilisation. The stabilisation of raw material prices and efficient control measures in the procurement of raw materials and wastages have also contributed to the improvement in profit margin. In addition, the 9M22 results were impacted by the provision made in respect of claims in relation to the late deliveries of cables to a customer of which the provision was partially reversed in 9M23.

The Hospitality Segment's revenue rose 14% to RM71.3 million and the pre-tax profit was up 21% to RM1.7 million (excluding a gain of RM0.9 million on the disposal of Swiss-Inn Sungai Petani in 9M22) in 9M23 compared to the same period a year ago. The void in revenue and pre-tax profit arising from the partial closure of Swiss-Garden Beach Resort Kuantan for refurbishment in the 9M23 was filled by the full operations of DoubleTree by Hilton Damai Laut Resort which reopened in September 2022 and Holiday Inn Express & Suites Johor Bahru in December 2021. The Division recorded strong occupancy and room rates as more meetings and events were organised by private and Government organisations.

The Capital Financing Division registered a total revenue of RM122.1 million, up 49%; and a pre-tax profit of RM62.1 million, an increase of 33% compared with a year earlier. The significant improvement was mainly due to the expansion of business through the growth of loan books to RM1.7 billion as at 30 September 2023 from RM1.1 billion as at 30 September 2022.

The Investment Holding Division registered a pre-tax profit of RM219.4 million in 9M23, representing an increase of 22% compared to 9M22. The higher pre-tax profit was mainly due to higher profit contribution by RHB Group amounting to RM227.1 million in 9M23 compared to RM187.8 million in 9M22.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

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

(b) Current Quarter ("3Q23") compared with Comparative Quarter of Preceding Year ("3Q22")

The Group achieved revenue of RM433.6 million for 3Q23 with an increase of 25% and a 9% increase in pre-tax profit to RM142.8 million in 3Q23, compared to 3Q22. All of the business segments of the Group generated higher revenue and pre-tax profit in 3Q23 compared to 3Q22 except for the Property and Construction Segments which recorded a decline in pre-tax profit.

The Property Segment reported revenue of RM222.5 million in 3Q23, 12% higher compared with 3Q22. The Property Development Division recorded a lower pre-tax profit of RM35.1 million compared to RM41.6 million in the same period a year ago mainly due to the ongoing project, YouCity III, which was at the final stage, thus lower profit contribution compared to 3Q22. In 3Q23, the Division recorded a share of losses from the associates of RM1.5 million, mainly due to expenses incurred on sales and marketing for Phase 2, BLVD in MSQ that was charged to the income statement. In 3Q22, the share of profit of the associates was at RM11.0 million due to the sale and settlement of the completed Phase 1 in MSQ and the reversal of costs accrued in respect of a completed project. The Property Investment Division continue to generate stable rental revenue from its office buildings and retail with a slightly higher pre-tax profit recorded in 3Q23.

The Construction Segment recorded revenue of RM55.6 million and a pre-tax loss of RM0.2 million in 3Q23, compared to revenue of RM30.2 million and a pre-tax profit of RM0.1 million in the same quarter last year. The lower pre-tax performance was mainly due to a lower realisation of profit from internal projects and in line with the progress billings of the development projects.

The Industries Segment recorded a 58% increase in revenue of RM121.6 million and a more than seven-fold rise in pre-tax profit to RM17.2 million in 3Q23, compared to the same quarter last year. The significant improvement in performance was attributed to stronger sales revenue achieved in cables and IBS wall-panel, from both local and export sales. The profit margin improved in line with the increase in the factory utilisation rate and better control of material usage and machine utilisation. In addition, 3Q22 pre-tax performance was also impacted by the provision for late delivery claims by a customer. Such provision was partially reversed in 3Q23 as it was no longer required.

The Hospitality Segment reported revenue of RM26.2 million and a pre-tax profit of RM2.5 million in 3Q23 compared with revenue of RM24.1 million and a pre-tax profit of RM0.8 million in 3Q22. The improved performance recorded by the Hospitality Segment was mainly due to the higher occupancy rate and average room rates from the Hotel & Resort Division as demand for local tourism and meeting and event activities remain strong.

The Capital Financing Division recorded a 52% increase in revenue to RM46.3 million and a 47% increase in pre-tax profit to RM22.5 million in 3Q23, compared to the same quarter last year. The notable increase in revenue and pre-tax profit was mainly due to higher revenue generated from the larger loan portfolio during the period under review.

The Investment Holding Division contributed a pre-tax profit of RM65.0 million in 3Q23 compared with a pre-tax profit of RM70.0 million in 3Q22. The lower pre-tax performance was mainly due to a lower share of profit of RHB Group.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 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:

	Current quarter ended 30.9.2023 3Q23 RM'000	Immediate preceding quarter ended 30.6.2023 2Q23 RM'000	change %
<u>Revenue</u>			
1. Property	222,535	217,694	2%
<i>Construction revenue</i>	55,577	57,106	(3%)
<i>Inter-segment revenue</i>	(55,577)	(57,106)	3%
2. Construction	-	-	-
3. Industries	121,621	102,437	19%
4. Hospitality	26,189	21,141	24%
5. Financial Services & Investment Holding	63,290	56,171	13%
Revenue	433,635	397,443	9%
<u>Pre-tax profit/(loss)</u>			
1. Property	35,833	33,539	7%
2. Construction	(181)	(321)	44%
3. Industries	17,157	12,847	34%
4. Hospitality	2,454	(368)	>100%
5. Financial Services & Investment Holding	87,530	100,125	(13%)
Pre-tax profit	142,793	145,822	(2%)
Comprised of:			
Pre-tax profit from the business	77,387	57,490	35%
Share of results of associates and a joint venture	65,406	88,332	(26%)
Pre-tax profit	142,793	145,822	(2%)

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

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

Current Quarter ("3Q23") compared with Immediate Preceding Quarter ("2Q23")

The Group's revenue rose 9% to RM433.6 million while pre-tax profit declined slightly to RM142.8 million in 3Q23 compared to a quarter earlier. The Group generated higher revenue from all the business segments except for the Construction Segment. In line with the increase in revenue, all the business segments recorded improved in pre-tax performance except for the Financial Services & Investment Holding Segment which saw a lower pre-tax profit due to the decline in share of profit from RHB Group.

The Property Segment reported a 2% increase in revenue to RM222.5 million and a slight improvement of 7% in pre-tax profit at RM35.8 million in 3Q23 compared to a quarter earlier. The revenue and pre-tax profit were contributed by the ongoing projects in Malaysia which include high-rise residential projects in Puchong and Melawati in the Klang Valley and Butterworth and landed residential projects at our townships in Sungai Petani and Seremban. The Property Investment Division continues to generate rental revenue from its office buildings and retail with a gradual increase in occupancy rates. Excluding a gain on the disposal of RM2.2 million of an associate in 2Q23, the Property Investment Division recorded an improved pre-tax profit in 3Q23.

The Construction Segment recorded a 3% decrease in revenue to RM55.6 million and a lower pre-tax loss of RM0.2 million in 3Q23 compared to a quarter ago. The improved pre-tax performance was mainly due to a higher realisation of profit in line with the progress billings of the Property Development Division.

The Industries Segment registered revenue of RM121.6 million and a pre-tax profit of RM17.2 million in 3Q23, up 19% and 34% respectively, compared to a quarter earlier. The improved performance was underpinned by strong sales (both local and export) as well as higher factory utilisation rate and production efficiency through enhanced control over wastage and machine downtime. Additional profit was recorded arising from the partial reversal of a provision made for late deliveries in the prior year which is no longer required.

The Hospitality Segment reported an improvement in revenue to RM26.2 million, an increase of 24% in 3Q23 compared to a quarter ago. Arising from the higher revenue, it achieved a pre-tax profit of RM2.5 million in 3Q23 as compared to a pre-tax loss of RM0.4 million. The better performance was due to continuous strong demand from local holidaymakers and corporate meetings and events activities.

The Capital Financing Division recorded a 15% increase in revenue to RM46.3 million in 3Q23 compared with a quarter ago. The pre-tax profit for 3Q23 increased by 6% to RM22.5 million from RM21.2 million in 2Q23 principally due to the net increase in loan disbursement at the end of 3Q23.

The Investment Holding Division recorded a pre-tax profit of RM65.0 million in 3Q23 compared to a pre-tax profit of RM78.9 million in 2Q23 mainly due to lower profit recorded by RHB Group.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 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 Property Development Division will continue to launch new phases at our townships. The performance of this Division will be supported by the recognition of revenue in line with the construction progress and progress billings raised for those ongoing projects. The current ongoing projects include various phases in our townships, namely Bandar Puteri Jaya at Sungai Petani and Iringan Bayu at Seremban and high-rise projects include Mira and Anya, Shorea Park in Puchong, LEA by The Hills in Melawati and Rubica in Butterworth.

Over in Melbourne, Australia, MSQ has officially launched Phase 2, namely BLVD in October 2023. BLVD is a high-rise residential apartment with approximately 591 units within a single tower. Since its soft launch in April 2023, we have achieved an encouraging take-up rate of about 40%. In accordance with the accounting standard, the profit from the sale of the apartments under construction will only be recognised upon handing over and settlement by the purchasers. In addition to the selling off-the-plan units at BLVD, we will also focus on selling the remaining completed residential units of Phase 1 in MSQ.

As at 30 September 2023, the Group's effective unbilled sales stood at RM1.2 billion with minimal unsold completed stocks. The Group has a total land bank measured at 1,994 acres with an estimated effective Gross Development Value of RM15.5 billion. These lands are strategically located in the Klang Valley, Sungai Petani, Butterworth, Kuantan, and Seremban in Malaysia and Melbourne in Australia. Property Development Division will remain one of the key contributors to the performance of the Group.

The Construction Segment will focus on delivering its current outstanding order book which stood at RM319.6 million as at 30 September 2023. This Division will continue to support the Property Development Division in building quality homes within cost and time through the Group's "Property-construction" model.

The performance of Industries Segment is expected to perform well for the remaining FY23 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 plans for the cable manufacturing facilities with new production lines and the IBS factory with the new lightweight products are currently in progress. With the targeted completion next year, the increased capacity and new products will enable this Segment to tap into new markets and customers.

The Hospitality Segment is expected to continue with strong occupancy and room rates and will benefit from the year-end holiday seasons. The completion of the refurbishment of Swiss-Garden Beach Resort Kuantan and the additional facilities to cater for a bigger capacity of corporate meetings and events at Swiss-Garden Hotel and Residence Genting Highland will contribute positively to the performance of the Division. The partnerships with international operators for the rebranded hotels, DoubleTree by Hilton Damai Laut Resort and Holiday Inn Express & Suites in Johor Bahru is expected to continue to yield favourable results.

The performance of the Financial Services & Investment Holding Segment is dependent on the performance of RHB Group and the performance of loan portfolios managed by the Capital Financing Division, both in Malaysia and Australia. With the expansion of its financing portfolio and product offerings, this Division is expected to deliver stronger financial performance to the Group.

Based on the assessment of the respective businesses, the Group is confident to deliver satisfactory results for the remaining 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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

B4. Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced

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

B5. Profit forecast/profit guarantee previously announced

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

B6. Tax expense

	Current quarter ended 30.9.2023 RM'000	Current year to date ended 30.9.2023 RM'000
In respect of the current year income tax	(24,558)	(59,058)
Deferred income tax	5,934	16,168
Income tax expense	<u>(18,624)</u>	<u>(42,890)</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 the 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 20 November 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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

B8. Borrowings and debt securities as at the 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 30.9.2023					
Secured					
Bankers' acceptances - MYR	-	-	-	22,600	22,600
Medium term notes and Sukuk - MYR [*]	-	1,974,037	-	156,883	2,130,920
Revolving credits - MYR	-	-	-	130,950	130,950
Revolving credits - AUD (1: 3.0286)	-	-	22,500	67,663 [@]	67,663
Term/Bridging - MYR	-	60,116	-	5,219	65,335
		<u>2,034,153</u>		<u>383,315</u>	<u>2,417,468</u>
Unsecured					
Revolving credits - MYR	-	-	-	535,550	535,550
Revolving credits - AUD (1: 3.0286)	-	-	63,895	193,512	193,512
		<u>-</u>		<u>729,062</u>	<u>729,062</u>
Total		<u>2,034,153</u>		<u>1,112,377</u>	<u>3,146,530</u>
As at 31.12.2022					
Secured					
Bankers' acceptances - MYR	-	-	-	9,700	9,700
Medium term notes and Sukuk - MYR [*]	-	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 [@]	74,128
Term/Bridging - MYR	-	59,047	-	5,300	64,347
Term loan - USD (1: 4.4130) [#]	-	-	32,400	142,981	142,981
		<u>1,700,032</u>		<u>408,397</u>	<u>2,108,429</u>
Unsecured					
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>
Total		<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 are accounted for in the Statement of Comprehensive Income. On 30 January 2023, the hedge instrument has expired.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

B8. Borrowings and debt securities as at the 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 in working capital requirements. The details of MTNs and Sukuk are disclosed in Note A5(b) to (d).
- (ii) The increase in the borrowings was mainly due to the expansion of the capital financing businesses in Malaysia.
- (iii) The 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 has 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 30.9.2023	Preceding year to date ended 30.9.2022
(a) Dividend payable/paid single-tier interim to the dividend per share (RM'000)	61,863	41,242
Single-tier interim dividend per share (sen)	3.0	2.0
Number of ordinary shares on which dividend was declared ('000)	2,062,104	2,062,104
Date of payment	13.10.2023*	6.10.2022
(b) Total dividend for the current year to date per share (sen)	3.0	2.0

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

B11. Earnings Per Share ("EPS")

	Current quarter ended 30.9.2023	Comparative quarter ended 30.9.2022 (Restated)	Current year to date ended 30.9.2023	Preceding year to date ended 30.9.2022 (Restated)
Profit attributable to Owners of the Company (RM'000)	123,031	112,851	369,156	303,037
Weighted average number of ordinary shares outstanding ('000)	2,062,104	2,062,104	2,062,104	2,062,104
Basic/Diluted EPS (sen)	5.97	5.47	17.90	14.70

There is 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 2023

B12. Audit report of preceding annual financial statements

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

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

	Current quarter ended 30.9.2023	Comparative quarter ended 30.9.2022	Current year to date ended 30.9.2023	Preceding year to date ended 30.9.2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after crediting/(charging):				
(i) <u>Revenue</u>				
Interest/profit income	40,679	25,763	107,911	70,315
Rental income	9,209	8,041	27,143	23,736
(ii) <u>Cost of sales</u>				
Funding costs	(15,531)	(9,474)	(40,318)	(21,463)
(iii) <u>Other income</u>				
Dividend income	-	-	9	9
Foreign currency transactions gains	53	404	2,523	406
Foreign currency translations gains	35	-	388	1
Funds distribution income	1,287	949	5,366	3,264
Gain on disposals of property, plant and equipment	153	353	199	1,367
Gain on fair valuation of:				
- biological assets	22	-	-	-
- securities at fair value through profit or loss	55	32	32	32
- short-term funds	734	557	2,001	852
Gain on redemption of short-term funds	351	1,062	1,597	1,477
Interest income	2,341	1,250	5,773	3,419
Recovery of bad debts of:				
- capital financing	-	-	-	31
- trade and other receivables	-	-	2	-
Rental concession received	-	1	-	1
Write back of allowance for impairment losses on:				
- capital financing:				
- collective assessment	-	43	58	426
- individual assessment	52	-	1,355	7
- trade and other receivables:				
- collective assessment	346	8	419	1,063
- individual assessment	53	594	1,387	1,465
(iv) <u>Administrative expenses</u>				
Depreciation and amortisation	(6,147)	(9,041)	(19,052)	(27,236)
Selling and marketing expenses	(5,407)	(6,620)	(15,845)	(16,064)

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

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

	Current quarter ended 30.9.2023	Comparative quarter ended 30.9.2022	Current year to date ended 30.9.2023	Preceding year to date ended 30.9.2022
	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>				
Foreign currency transactions loss	-	(6)	(395)	(24)
Foreign currency translations loss	-	(22)	(2,520)	(10)
Impairment loss on:				
- capital financing:				
- collective assessment	(268)	(163)	(672)	(380)
- individual assessment	(586)	(72)	(1,291)	(752)
- trade and other receivables:				
- collective assessment	-	(183)	(1,197)	(1,076)
- individual assessment	(390)	(240)	(1,213)	(1,923)
Loss on disposals of plant and equipment	(17)	(83)	(129)	(207)
Loss on fair valuation of:				
- biological assets	-	(468)	(147)	(175)
- securities at fair value through profit or loss	-	(11)	-	(39)
- short-term funds	(150)	-	(422)	(1,838)
Reclassified the loss on fair value of cash flow hedge upon maturity from other comprehensive income	-	-	(89)	-
Effect of foreign currency translation upon maturity of cash flow hedge	-	-	89	-
Write off of:				
- bad debts on trade and other receivables	(4)	(70)	(4)	(101)
- plant and equipment	(67)	(36)	(261)	(176)
(vi) <u>Finance costs</u>				
Interest/profit expense	(10,904)	(9,179)	(32,160)	(29,189)

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

B14. Derivative financial instruments

The cross-currency interest rate swap has been entered into 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 the 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 the Statement of Comprehensive Income and the ineffective portion is recognised in profit or loss. Upon the expiration 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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

B15. Gains or losses arising 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 2023.

By Order of the Board

Tan Sri Ong Leong Huat
Executive Chairman
Kuala Lumpur
27 November 2023