

QUARTERLY REPORT FOR THE THIRD QUARTER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

	As at 30.9.2016 RM'000	As at 31.12.2015 RM'000
Assets:		
Non-current		
Property, plant and equipment	530,137	531,642
Investment properties	41,532	40,525
Investments in associated companies and a joint venture	77,411	75,524
Bearer plants	16,651	17,298
Intangible assets	4,036	4,568
Inventories	582,013	552,528
Deferred tax assets	49,373	42,266
Available-for-sale securities	789	717
Trade receivables	30,006	22,061
	1,331,948	1,287,129
Current		
Inventories	364,238	356,110
Contract assets	121,404	221,199
Trade receivables	171,707	213,874
Other assets	34,103	30,513
Tax recoverable	11,115	12,623
Derivative asset	25,569	30,718
Securities at fair value through profit or loss, liquid investments	49,322	3,010
Cash and short term funds	162,632	150,638
	940,090	1,018,685
Total Assets	2,272,038	2,305,814

QUARTERLY REPORT FOR THE THIRD QUARTER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016 (CONT'D)**

	Note	As at 30.9.2016 RM'000	As at 31.12.2015 RM'000
Liabilities:			
Non-current			
Borrowings	B8	398,461	397,418
Deferred income		164,323	168,233
Trade payables		8,272	9,364
Deferred tax liabilities		23,888	24,214
		<u>594,944</u>	<u>599,229</u>
Current			
Borrowings	B8	141,288	106,278
Deferred income		2,921	3,827
Contract liabilities		68,654	64,558
Trade payables		72,102	85,824
Dividend payable		-	13,091
Tax payable		2,920	12,374
Other liabilities		116,718	143,793
		<u>404,603</u>	<u>429,745</u>
Total Liabilities		<u>999,547</u>	<u>1,028,974</u>
Net Assets		<u>1,272,491</u>	<u>1,276,840</u>
Equity:			
Share capital		528,845	528,439
Treasury shares, at cost	A5(a)	(5,133)	(5,133)
		<u>523,712</u>	<u>523,306</u>
Reserves		684,772	701,776
Issued capital and reserves attributable to Owners of the Company		<u>1,208,484</u>	<u>1,225,082</u>
Non-controlling interests		64,007	51,758
Total Equity		<u>1,272,491</u>	<u>1,276,840</u>
Net assets per share attributable to Owners of the Company (RM)		<u>2.31</u>	<u>2.34</u>

(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 6 months ended 31 December 2015)

QUARTERLY REPORT FOR THE THIRD QUARTER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

	Current quarter ended 30.9.2016 RM'000	Comparative quarter ended 30.9.2015 RM'000	Current year to date ended 30.9.2016 RM'000	Preceding year to date ended 30.9.2015 RM'000
Revenue	166,707	*	541,026	*
Cost of sales	(119,527)	*	(391,417)	*
Gross profit	47,180	*	149,609	*
Other income	5,102	*	9,521	*
Administrative expenses	(42,108)	*	(117,219)	*
Other expenses	(3,680)	*	(10,040)	*
	6,494	*	31,871	*
Finance costs	(2,962)	*	(8,634)	*
	3,532	*	23,237	*
Share of results of associated companies and a joint venture	(825)	*	(983)	*
Profit before tax	2,707	*	22,254	*
Tax expense	(2,463)	*	(8,714)	*
Profit after tax	244	*	13,540	*
Profit/(loss) attributable to:				
Owners of the Company	532	*	14,020	*
Non-controlling interests	(288)	*	(480)	*
	244	*	13,540	*
Earnings per share attributable to Owners of the Company (sen):				
Basic	0.10	*	2.68	*
Diluted	0.09	*	2.46	*

* In July 2015, the Company announced to change its financial year end from 30 June to 31 December to correspondence with its immediate holding company, OSK Holdings Berhad, and made up its financial statements for the 6 months period ended 31 December 2015. Hence, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods; the 2015 quarterly results have therefore not been included in this interim financial report as comparative figures.

(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 6 months ended 31 December 2015)

QUARTERLY REPORT FOR THE THIRD QUARTER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

	Current quarter ended 30.9.2016 RM'000	Comparative quarter ended 30.9.2015 RM'000	Current year to date ended 30.9.2016 RM'000	Preceding year to date ended 30.9.2015 RM'000
Profit after tax	244	*	13,540	*
Other comprehensive (loss)/income for the period, net of tax				
Items that will be reclassified subsequently to profit or loss				
Fair value (loss)/gain on:				
- Cash flow hedge	(272)	*	(698)	*
- Available-for-sale securities	(1)	*	72	*
Foreign currency translation	20,262	*	5,914	*
Other comprehensive income, net of tax	19,989	*	5,288	*
Total comprehensive income for the period, net of tax	20,233	*	18,828	*
Total comprehensive income attributable to:				
Owners of the Company	17,172	*	18,113	*
Non-controlling interests	3,061	*	715	*
	20,233	*	18,828	*

* In July 2015, the Company announced to change its financial year end from 30 June to 31 December to correspondence with its immediate holding company, OSK Holdings Berhad, and made up its financial statements for the 6 months period ended 31 December 2015. Hence, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods; the 2015 quarterly results have therefore not been included in this interim financial report as comparative figures.

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QUARTERLY REPORT FOR THE THIRD QUARTER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016**

	Attributable to Owners of the Company								Non-Controlling Interests	Total Equity	
	Share Capital	Treasury Shares	Share Premium	Warrant Reserve	Available-for-sale Reserve	Exchange Translation Reserve	Hedging Reserve	Retained Profits			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2016	528,439	(5,133)	41,221	2,829	683	20,757	922	635,364	1,225,082	51,758	1,276,840
Profit/(loss) for the financial period	-	-	-	-	-	-	-	14,020	14,020	(480)	13,540
Fair value loss on cash flow hedge	-	-	-	-	-	-	(698)	-	(698)	-	(698)
Fair value gains on available-for-sale securities	-	-	-	-	72	-	-	-	72	-	72
Foreign currency translation	-	-	-	-	-	4,719	-	-	4,719	1,195	5,914
Total comprehensive income/(loss) for the financial period	-	-	-	-	72	4,719	(698)	14,020	18,113	715	18,828
Dividends paid to shareholders	-	-	-	-	-	-	-	(23,583)	(23,583)	-	(23,583)
Issue of shares arising from exercise of Warrants C	406	-	8	(8)	-	-	-	-	406	-	406
Effects of accretion equity interests in a subsidiary	-	-	-	-	-	(1,002)	-	(10,532)	(11,534)	11,534	-
Total transactions with Owners and changes in ownership interests	406	-	8	(8)	-	(1,002)	-	(34,115)	(34,711)	11,534	(23,177)
Balance as at 30 September 2016	528,845	(5,133)	41,229	2,821	755	24,474	224	615,269	1,208,484	64,007	1,272,491
Balance as at 1 January 2015	*	*	*	*	*	*	*	*	*	*	*
Profit/(loss) for the financial period	*	*	*	*	*	*	*	*	*	*	*
Fair value loss on cash flow hedge	*	*	*	*	*	*	*	*	*	*	*
Fair value gains on available-for-sale securities	*	*	*	*	*	*	*	*	*	*	*
Foreign currency translation	*	*	*	*	*	*	*	*	*	*	*
Total comprehensive income/(loss) for the financial period	*	*	*	*	*	*	*	*	*	*	*
Dividends paid to shareholders	*	*	*	*	*	*	*	*	*	*	*
Issue of shares arising from exercise of Warrants C	*	*	*	*	*	*	*	*	*	*	*
Effects of accretion equity interests in a subsidiary	*	*	*	*	*	*	*	*	*	*	*
Total transactions with Owners and changes in ownership interests	*	*	*	*	*	*	*	*	*	*	*
Balance as at 30 September 2015	*	*	*	*	*	*	*	*	*	*	*

* In July 2015, the Company announced to change its financial year end from 30 June to 31 December to correspondence with its immediate holding company, OSK Holdings Berhad, and made up its financial statements for the 6 months period ended 31 December 2015. Hence, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods; the 2015 quarterly results have therefore not been included in this interim financial report as comparative figures.

(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 6 months ended 31 December 2015)

QUARTERLY REPORT FOR THE THIRD QUARTER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016**

	Current year to date ended 30.9.2016 RM'000	Preceding year to date ended 30.9.2015 RM'000
Cash Flows From Operating Activities		
Profit before tax	22,254	*
Adjustments for :		
Bad debt written off	1	*
Depreciation on:		
- investment properties	409	*
- property, plant and equipment and bearer plants	17,557	*
Fair value gain arising from changes in fair value of agricultural produce	(162)	*
Fair value loss arising from changes in fair value of bearer plants	318	*
Impairment loss on:		
- goodwill on consolidation	532	*
- receivables and contract assets	1,697	*
Interest accretion on receivables	(26)	*
Interest expense	8,634	*
Interest income	(4,629)	*
Loss on disposal of plant and equipment	24	*
Plant and equipment written off	206	*
Reversal of impairment loss on receivables and contract assets	(104)	*
Share of results of associated companies and a joint venture	983	*
Unrealised gain on foreign exchange	(176)	*
Operating profit before changes in working capital	<u>47,518</u>	*
Changes in working capital:		
Inventories	(13,990)	*
Receivables and contract assets	133,087	*
Payables and contract liabilities	(43,372)	*
Cash generated from operations	<u>123,243</u>	*
Tax paid	(29,647)	*
Tax refunded	5,564	*
Net cash generated from operating activities	<u>99,160</u>	*
Cash Flows From Investing Activities		
Advances to an associate	(1,836)	*
Interest received	4,629	*
Proceeds from disposal of plant and equipment	322	*
Purchase of investment property	(1,416)	*
Purchase of plant and equipment and bearer plants	(19,898)	*
Net cash used in investing activities	<u>(18,199)</u>	*

QUARTERLY REPORT FOR THE THIRD QUARTER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016 (CONT'D)**

	Current year to date ended 30.9.2016 RM'000	Preceding year to date ended 30.9.2015 RM'000
Cash Flows From Financing Activities		
Interest paid	(23,105)	*
Dividends paid to Owners of the Company	(36,674)	*
Drawdowns of bank borrowings	105,523	*
Repayments of bank borrowings	(65,093)	*
Proceeds from issuance of new ordinary shares arising from exercise of Warrants C	406	*
Net cash used in financing activities	<u>(18,943)</u>	*
Net increase in cash and cash equivalents	62,018	*
Effects of exchange rate changes	(193)	*
Cash and cash equivalents at beginning of period	149,531	*
Cash and cash equivalents at end of period	<u>211,356</u>	*
Cash and cash equivalents at end of period comprised:		
Cash and bank balances	150,836	*
Deposits with licensed banks	11,796	*
	<u>162,632</u>	*
Bank overdrafts	(598)	*
Securities at fair value through profit or loss, liquid investments	49,322	*
	<u>211,356</u>	*

* In July 2015, the Company announced to change its financial year end from 30 June to 31 December to correspondence with its immediate holding company, OSK Holdings Berhad, and made up its financial statements for the 6 months period ended 31 December 2015. Hence, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods; the 2015 quarterly results have therefore not been included in this interim financial report as comparative figures.

(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 6 months ended 31 December 2015)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

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

A1. Basis of preparation

This quarterly report should be read in conjunction with the audited financial statements of the Group for the period ended 31 December 2015 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 period ended 31 December 2015.

In July 2015, the Company announced to change its financial year end from 30 June to 31 December to correspondence with its immediate holding company, OSK Holdings Berhad, and made up its financial statements for the 6 months period ended 31 December 2015. Hence, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods; the 2015 quarterly results have therefore not been included in this interim financial report as comparative figures. Nevertheless, the comparative figures for statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows, in which the comparable interim period (i.e. the cumulative 9 months ended 30 September 2015) comprises 6 months which are in respect of a comparable period in the previous financial year of 30 June 2015 and 3 months which are in respect of a comparable period of the immediately preceding financial period of 31 December 2015 have been prepared as Appendix I for reference purpose only.

The significant accounting policies and methods of computation applied in preparing the unaudited interim financial statements are consistent with those adopted in the audited financial statements for the period ended 31 December 2015.

For the current year to date, the Group adopted the following standards, amendments to published standards and interpretations that are applicable and effective for the Group's financial year beginning on 1 January 2016:

- (a) Annual Improvements to MFRSs 2012 – 2014 Cycle that aim to enhance the quality of standards, to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts or oversights.
- (b) Amendment to MFRS 11 'Joint Arrangements' requires an investor to apply the principles of MFRS 3 'Business Combination' when it acquires an interest in a joint operation that constitutes a business. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A1. Basis of preparation (Cont'd)

For the current year to date, the Group adopted the following standards, amendments to published standards and interpretations that are applicable and effective for the Group's financial year beginning on 1 January 2016: (Cont'd)

- (c) Clarifications to MFRS 15 'Revenue from Contracts with Customers' to clarify the application of the principles in identifying whether performance obligations are distinct; determining whether an entity is a principal or an agent; and assessing whether revenue from a licence of intellectual property is recognised over time or at a point in time.
- (d) Amendments to MFRS 101 'Presentation of Financial Statements' aim to improve the effectiveness of disclosures in the financial statements and are designed to encourage an entity to apply professional judgement in determining the information to be disclosed in the financial statement.
- (e) Amendments to MFRS 116 'Property, Plant and Equipment' and MFRS 138 'Intangible Assets' (effective from 1 January 2016) clarify that the use of revenue-based methods to calculate the depreciation of an item of property, plant and equipment is not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

Similarly, the amendments to MFRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

- (f) Amendments to MFRS 116 'Property, Plant and Equipment' and MFRS 141 'Agriculture' amended the scope of MFRS 116 to include bearer plants related to agricultural activity. However, MFRS 141 applies to the produce growing on those bearer plants.

A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants are measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. Agricultural produce growing on bearer plants continue to be measured at fair value less costs to sell, with fair value changes recognised in profit or loss as the produce grows.

- (g) Amendments to MFRS 127 'Separate Financial Statements' allow an entity to use the equity method in its separate financial statements to account for investments in subsidiary companies, joint ventures and associated companies, in addition to the existing cost method.

The adoption of these amendments to published standards and interpretations did not have any material impact on the Group.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A1. Basis of preparation (Cont'd)

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

(a) For financial year beginning on/after 1 January 2017

Amendment to MFRS 107 'Statement of Cash Flows' requires an entity provide addition disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. It requires the disclosure of a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Amendment to MFRS 112 'Income Taxes' clarifies the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendment introduces to compare the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences.

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

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

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

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

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

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

Extensive disclosures are required, including reconciliation from opening to closing amount of the expected loss provision, assumption and inputs and a reconciliation on transition of the original classification categories under MFRS 139 to the new classification categories in MFRS 9. The financial effects of adoption of MFRS 9 are still being assessed by the Group due to the complexity of this standard.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A1. Basis of preparation (Cont'd)

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

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

(ii) Amendment to MFRS 2 'Share-based Payment' clarify that the classification and measurement of share-based payment transactions. The amendment introduces specific guidance on how to account for the following situations:

- a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- b) share-based payment transactions with a net settlement feature for withholding tax obligations; and
- c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

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

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

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A2. Seasonality or cyclicity of interim operations

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

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

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

A4. Changes in estimates of amounts reported previously

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

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

(a) Share buybacks / Treasury shares of the Company

During the current year to date, the Company did not purchase any of its own ordinary shares from the open market. The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 67A of the Companies Act, 1965. Summary of share buybacks is as follows:

	Number of shares	Highest price RM	Lowest price RM	Average cost (included transaction costs) RM	Total amount paid RM
As at 1.1.16 / 30.9.16	4,778,300	1.60	0.39	1.07	5,133,565

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

(b) Warrants C 2010/2020

A total of 213,811,972 Warrants C 2010/2020 were issued on 6 December 2010 pursuant to the completion of the following corporate exercises:

- (i) The renounceable rights issue of 171,049,635 new warrants in the Company ('Warrant(s) C') to all the shareholders of the Company on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of RM1.00 each held on 10 November 2010 at an issue price of RM0.02 per Warrant C; and
- (ii) The restricted issue of 42,762,337 Warrants C in the Company to the holders of unexercised Warrants B 2000/2010 on 29 October 2010, being the expiry date of Warrants B ('Expiry Date') on the basis of three (3) Warrants C for every eight (8) unexercised Warrants B 2000/2010 held on the Expiry Date at an issue price of RM0.02 per Warrant C.

The exercise price of each Warrant C shall be RM1.00 per ordinary share or such adjusted price as may for the time being be applicable subject to the Deed Poll dated 20 October 2010. The exercise period shall commence from the date of issue of the Warrants and will expire on 5 December 2020 at 5.00 p.m..

During the current year to date, the Company issued 406,000 new ordinary shares of RM1 each for cash pursuant to conversion of 406,000 Warrant C 2010/2020.

As at 30 September 2016, the total number of Warrant C 2010/2020 remained unexercised is 141,100,487 (31 December 2015: 141,506,487).

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

A6. Dividends paid

During the financial year to date, the Company paid the following dividends:-

	RM'000
(i) A single-tier interim dividend of 2.5 sen per share for financial period ended 31 December 2015 was paid on 18 January 2016. (accrued as at 31 December 2015)	13,092
(ii) A single-tier final dividend of 2.5 sen per share in respect of the preceding financial period ended 31 December 2015 was paid on 9 May 2016.	13,102
(iii) A single-tier interim dividend of 2.0 sen per share for the current financial year ending 31 December 2016 was paid on 23 September 2016.	10,481
	<u>36,675</u>

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A7. Segmental information

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

- (a) Property
 - (i) Property Development - Property development of residential and commercial properties for sale as well as provision of project management services.
 - (ii) Property Investment & Management - Management and letting of properties, contributing rental yield and appreciation of properties.
- (b) Construction - Building construction works.
- (c) Industries
 - (i) Cables - Manufacturing and trading of cable and wires.
 - (ii) Industrialised Building System ("IBS") - Manufacturing and sale of IBS concrete wall panels and trading of building materials.
- (d) Hospitality
 - (i) Hotels and Resorts - Management of hotels, resorts including golf course operations.
 - (ii) Vacation Club - Management of timeshare membership scheme through vacation club.
- (e) Investment Holding - Investing activities and other insignificant business segment, where investments contribute dividend income and interest income as well as sharing of results of the investee companies.

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

Basis of segmentation and related measurement of segment revenue, results, total assets and liabilities have no material change from the amounts disclosed in the audited financial statements of the Group for the period ended 31 December 2015.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A7. Segmental information (Cont'd)

(a) Business segments analysis

Current year to date ended 30.9.2016

	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Investment Holding RM'000	Inter- segments Elimination RM'000	Total RM'000
Revenue							
External parties	183,321	36,510	228,580	89,523	3,092	-	541,026
Inter-segment	-	97,936	456	114	12,756	(111,262)	-
Dividends from subsidiary companies	-	-	-	-	141,350	(141,350)	-
Total	183,321	134,446	229,036	89,637	157,198	(252,612)	541,026
Results							
Segment profit/(loss)	10,499	8,805	29,773	(7,093)	(11,956)	(6,791)	23,237
Share of results of associated companies and a joint venture	-	-	-	-	(983)	-	(983)
Profit/(loss) before tax	10,499	8,805	29,773	(7,093)	(12,939)	(6,791)	22,254
Tax expense							(8,714)
Profit after tax							13,540

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A7. Segmental information (Cont'd)

(a) Business segments analysis (cont'd)

Preceding year to date ended 30.9.2015

	Properties RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Investment Holding RM'000	Inter- segments Elimination RM'000	Total RM'000
Revenue							
External parties	*	*	*	*	*	*	*
Inter-segment	*	*	*	*	*	*	*
Dividends from subsidiary companies	*	*	*	*	*	*	*
Total	*	*	*	*	*	*	*
Results							
Segment profit/(loss)	*	*	*	*	*	*	*
Share of results of associated companies and a joint venture	*	*	*	*	*	*	*
Profit/(loss) before tax	*	*	*	*	*	*	*
Tax expense							*
Profit after tax							*

* In July 2015, the Company announced to change its financial year end from 30 June to 31 December to correspondence with its immediate holding company, OSK Holdings Berhad, and made up its financial statements for the 6 months period ended 31 December 2015. Hence, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods; the 2015 quarterly results have therefore not been included in this interim financial report as comparative figures.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A7. Segmental information (Cont'd)

(b) Geographical segments analysis

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

	Malaysia RM'000	Australia RM'000	Others RM'000	Total RM'000
Current year to date ended 30.9.2016				
Revenue	516,534	2,603	21,889	541,026
Profit/(Loss) before tax	25,070	(2,723)	(93)	22,254
Preceding year to date ended 30.9.2015				
Revenue	*	*	*	*
Profit/(Loss) before tax	*	*	*	*

* In July 2015, the Company announced to change its financial year end from 30 June to 31 December to correspondence with its immediate holding company, OSK Holdings Berhad, and made up its financial statements for the 6 months period ended 31 December 2015. Hence, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods; the 2015 quarterly results have therefore not been included in this interim financial report as comparative figures.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

(a) Striking off of Swiss-Garden International Limited ("SGIL")

On 24 December 2015, SGIL, a dormant indirect wholly-owned subsidiary of the Company, has made an application for striking off with the Companies House, United Kingdom. Subsequently, SGIL was dissolved on 22 March 2016 pursuant to the Notice of Dissolution published on 22 March 2016.

(b) Striking off of Pengerang Jaya Investment Pte Ltd ("PJ IPL")

PJ IPL, a dormant indirect wholly-owned subsidiary of the Company, has on 16 June 2016 received a notification dated 6 June 2016 from Accounting and Corporate Regulatory Authority informing that PJ IPL has been struck off from the register under the Singapore Companies Act (Chapter 50).

(c) Capital reduction of 255,000 preference shares with par value of Baht 10 each in PJDCI Co., Ltd ("PJDCI")

On 10 August 2016, PJDCI, a dormant indirect 78.54% owned subsidiary of the Company has reduced its capital via capital reduction from Baht 5.00 million, consist of 245,000 ordinary shares of Baht 10 each and 255,000 preference shares of Baht 10 each, to Baht 2.45 million or 245,000 ordinary shares of Baht 10 each.

The preference shareholders have voting rights of one vote per four preference shares held. Thus, upon completion of the capital reduction, the Group's equity interest in PJDCI increased to 98.98% from 78.54%.

The above do not have any material impact on the earnings and net assets of the Group.

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

There were no material events announced after the end of the quarter.

A10. Significant unrecognised contractual commitments

	As at 30.9.2016 RM'000	As at 31.12.2015 RM'000
Contracted but not provided for		
- Property, plant and equipment	1,111	2,826
- Land held for property development	2,591	8,535
	3,702	11,361

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A11. Changes in contingent liabilities or contingent assets

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

A12. Significant related party transactions

<u>Entities</u>	<u>Nature of transactions</u>	Income / (Expense) Current year to date ended 30.9.2016 RM'000
(a) <u>Significant transactions with holding group of companies:</u>		
OSK Holdings Berhad	- Management fees expense	(4,505)
OSK Realty Sdn Bhd	- Rental of premises expense	(1,036)
OSK Properties Sdn Bhd	- Construction work	1,384
	- IT services income	211
Atria Damansara Sdn Bhd	- Construction work	353
Ribuan Ekuiti Sdn Bhd	- Construction work	24,895
(b) <u>Significant transactions with an associated company:</u>		
Agile PJD Development Sdn Bhd	- Interest income	1,836
(c) <u>Significant transactions with other related parties:</u>		
Canggih Pesaka Sdn Bhd	- Rental of premises expense	(363)
DC Services Sdn Bhd	- Insurance premium expense	(1,214)
Dindings Life Agency Sdn Bhd	- Insurance premium expense	(532)
Sincere Source Sdn. Bhd.	- Insurance premium expense	(332)
Willowglen (M) Sdn Bhd	- Upkeep and maintenance expenses	(1,398)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A13. Fair value measurement

Determination of fair value

The carrying amounts of trade and other receivables/payables, cash and cash equivalents and short term borrowings approximated their fair values due to the relatively short term maturity in nature of these financial instruments.

Fair value hierarchy

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

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 30.9.2016				
Financial assets				
Available-for-sale securities	-	-	789	789
Derivative asset	-	25,569	-	25,569
Securities at fair value through profit or loss, liquid investments	49,322	-	-	49,322
	49,322	25,569	789	75,680
As at 31.12.2015				
Financial assets				
Available-for-sale securities	-	-	717	717
Derivative asset	-	30,718	-	30,718
Securities at fair value through profit or loss, liquid investments	3,010	-	-	3,010
	3,010	30,718	717	34,445

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the last bid price. There were no transfers between Level 1 and 2 during the current year to date.

A14. Derivative financial instruments

Type of Derivative	Contract / Notional Value RM'000	Fair Value RM'000	Cash Flow Hedge Reserve RM'000
Cross currency interest rate swap contract - 1 year to 3 years	99,360	25,569	(698)

Cross-currency interest rate swap have been entered into in order to operationally hedge the borrowing denominated in United States Dollar ('USD') and floating monthly interest payments on borrowings that would mature on 30 September 2018. The fair value of the cross-currency interest rate swap contract is the amount that would be payable or receivable upon termination of the position at the end of each reporting period, and is determined using forward interest rates extracted from observable yield curve and forward exchange rates at the end of the reporting period, with the resulting value discounted back to fair value.

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

PART B - Explanatory Notes Pursuant to Chapter 9, Part K - Periodic Disclosures, Part A of Appendix 9B, of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")

B1. Performance analysis of the Group for the current quarter and year to date

The performance analysis is prepared based on comparative of financial period disclosed in Note A1. Kindly refer to Appendix I for the financials adopted for the performance analysis.

Current Quarter ("3Q16") compared with Comparative Quarter of Preceding Year ("3Q15")

The Group posted revenue of RM166.71 million for the current quarter ended 30 September 2016 ("3Q16") as compared to RM210.95 million in the comparative quarter ended 30 September 2015 ("3Q15"), a decline of RM44.24 million or 21%. The decrease in revenue was primarily due to lower contribution from its Property Segment and IBS Division but partially offset by higher revenue from Cables Division, Construction and Hospitality Segments. The Group registered pre-tax profit of RM2.71 million in 3Q16, a RM21.91 million or 89% decrease from 3Q15 of RM24.62 million. The drop in pre-tax profit was mainly due to significant lower contributions from the Property and Construction Segments and IBS Division, although, higher profits generated from the Cables Division and Hospitality Segment.

The Property Segment registered revenue of RM43.92 million and pre-tax loss of RM1.13 million in 3Q16 compared with revenue of RM109.50 million and pre-tax profit of RM18.87 million in 3Q15. The performance of the division was affected by fewer number of property development projects in progress after completion of certain projects. New projects were not launched in view of the lackluster property market condition.

The Construction Segment registered revenue of RM36.90 million and pre-tax profit of RM1.26 million in 3Q16 compared with revenue of RM47.34 million and pre-tax profit of RM3.71 million in 3Q15. The decrease in revenue by RM10.44 million or 22% was mainly due to lower intra-group construction revenue after some projects had reached its final stages of completion. The 3Q16 pre-tax profit was RM2.45 million or 66% lower than in 3Q15 due to lower profit margin contribution from the on-going projects.

The Cables Division revenue in 3Q16 increased by RM13.90 million or 26% to RM66.76 million as compared to RM52.86 million in 3Q15. In line with this, the pre-tax profit increased by RM2.65 million or 63% to RM6.85 million in 3Q16 as compared to RM4.20 million in 3Q15. The better performance was due to higher demand for its products from the property, infrastructure and power supply sectors.

The IBS Division recorded revenue of RM10.69 million and pre-tax profit of RM2.25 million in 3Q16 as compared to revenue of RM13.89 million and pre-tax profit of RM4.21 million in 3Q15. The decrease of RM3.20 million or 23% in revenue and RM1.96 million or 47% in pre-tax profit were mainly due to the weak demand from the property market and higher overhead cost at its factory.

The Hospitality Segment registered revenue of RM31.36 million and pre-tax profit of RM0.52 million in 3Q16 as compared to revenue of RM30.23 million and pre-tax profit of RM0.45 million in 3Q15. The revenue increased by RM1.13 million or 4% and pre-tax profit increased by RM0.07 million or 16% during the period mainly attributable to higher vacation club membership subscription rates and better occupancy rate for our hotel in Sydney, Australia.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

Current Year To Date ("9M16") compared with Preceding Year To Date ("9M15")

The Group recorded revenue of RM541.03 million and pre-tax profit of RM22.25 million for the nine months ("9M16") compared with revenue of RM620.71 million and pre-tax profit of RM67.09 million in the corresponding nine months ended 30 September 2015 ("9M15") respectively. The decrease of RM79.68 million or 13% in revenue was mainly due to lower revenue recorded in Property Segment and IBS Division but partially cushioned by higher revenue generated by Cables Division, Hospitality and Construction Segments. The decrease of RM44.84 million or 67% in pre-tax profit was due to lower pre-tax profit recorded in Property, Construction and Hospitality Segments and IBS Division.

The Property Segment registered revenue of RM183.32 million and pre-tax profit of RM10.50 million in 9M16 compared with revenue of RM325.96 million and pre-tax profit of RM55.99 million in 9M15. The reduction of RM142.64 million or 44% in revenue and RM45.49 million or 81% in pre-tax profit was mainly due to fewer property development projects in progress and deferment in launches of some projects due to the challenging property market. In 9M16, additional costs were incurred for the delay in some projects.

The Construction Segment registered revenue of RM134.45 million and pre-tax profit of RM8.81 million in 9M16 compared with revenue of RM181.32 million and pre-tax profit of RM18.93 million in 9M15. The decrease in revenue by RM46.87 million or 26% and pre-tax profit by RM10.12 million or 53% was due to lower progress billings as some projects reached its final stages of completion, lower profit margin contribution from the on-going projects and delay in the commencement of some of the new secured projects.

The Cables Division posted revenue of RM200.12 million and pre-tax profit of RM23.91 million in 9M16 compared with revenue of RM148.77 million and pre-tax profit of RM13.77 million in 9M15. The revenue and pre-tax profit increased by RM51.35 million or 35% and RM10.14 million or 74% respectively due to increased demand and better profit margin secured from property, infrastructure and power supply sectors.

The IBS Division recorded revenue of RM28.92 million and pre-tax profit of RM5.87 million in 9M16 compared with revenue of RM44.08 million and pre-tax profit of RM12.19 million in 9M15. The decrease of RM15.16 million or 34% in revenue and RM6.32 million or 52% in pre-tax profit was mainly due to weak demand in the property market. The expansion of the factory capacity during the period under review increased the overall production overhead costs.

The Hospitality Segment registered revenue of RM89.64 million and pre-tax loss of RM7.09 million in 9M16 compared with revenue of RM78.01 million and pre-tax losses of RM4.24 million in 9M15. The 9M16 revenue increased by RM11.63 million or 15% was mainly due to higher sale of vacation club memberships and the opening of the new hotel in Johor Bahru. Despite the higher revenue, the pre-tax loss increased by RM2.85 million or 67% was mainly due to losses incurred for the new hotel in Johor Bahru.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

B2. Commentary for current quarter compared with immediate preceding quarter

Current quarter ("3Q16") and immediate preceding quarter ("2Q16")

The Group recorded revenue of RM166.71 million and pre-tax profit of RM2.71 million for the current quarter ("3Q16") as compared to revenue of RM183.11 million and pre-tax profit of RM6.98 million in the immediate preceding quarter ("2Q16"). The lower revenue and pre-tax profit was mainly due to weaker performance of the Construction and Property Segments and Cables Division, despite higher profits contributed by the Hospitality Segment.

The Property Segment registered revenue of RM43.92 million and pre-tax loss of RM1.13 million in 3Q16 as compared to revenue of RM59.60 million and pre-tax profit of RM0.27 million in 2Q16. The revenue was lower due to lower progress billings from fewer on-going projects. The pre-tax profit in 3Q16 was affected by additional costs incurred to complete certain projects.

The Construction Segment registered revenue of RM36.90 million and pre-tax profit of RM1.26 million in 3Q16 as compared to revenue of RM42.79 million and pre-tax profit of RM5.54 million in 2Q16. The revenue decreased by RM5.89 million or 14% lower than 2Q16 due to lower intra-group construction revenue in 3Q16. The pre-tax profit decreased by RM4.28 million or 77% in line with the decrease in revenue and lower margin recognised from existing on-going projects.

The Cables Division recorded revenue of RM66.76 million and pre-tax profit of RM6.85 million in 3Q16 as compared to revenue of RM72.59 million and pre-tax profit of RM8.62 million in 2Q16. The lower revenue and pre-tax profit in 3Q16 of RM5.83 million or 8% and RM1.77 million or 21% respectively was mainly due to decrease in demand in Malaysia and Vietnam markets and allowance for doubtful debts of RM0.70 million made in 3Q16.

The IBS Division recorded revenue of RM10.69 million and pre-tax profit of RM2.25 million in 3Q16 as compared to revenue of RM9.28 million and pre-tax profit of RM1.92 million in 2Q16. The revenue and pre-tax profit increased by RM1.41 million or 15% and RM0.33 million or 17% respectively was mainly due to increase in demand from Malaysia and Singapore and higher production output.

The Hospitality Segment recorded revenue of RM31.36 million and pre-tax profit of RM0.52 million in 3Q16 as compared to revenue of RM26.96 million and pre-tax loss of RM4.07 million in 2Q16. The better performance was mainly due to higher occupancy rate of the hotels in view of holiday season.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

(a) Current year prospects

The Property Development Segment will continue to be supported by the launched projects. However, the Board does not expect any significant pick up in the pace of sales as the market is likely to remain subdued as compared to previous years. The Property Investment Division would continue to derive steady lease rental income from our commercial and retail tenants.

The Construction Segment has secured new construction orders during the year and we expect the order book to remain healthy.

Our Industries Segment is expected to perform satisfactorily despite the slowdown in IBS Division deliveries. However, the Cables Division is expected to do well.

The Hospitality Segment should perform better in the last quarter of this year as we enter the annual holiday season.

The Board is of the view that the remaining year remains challenging for the Group in view of the economic climate in Malaysia. However, the Board expects the Group's year end results to be satisfactory.

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

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

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.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

B6. Tax expense

	Current quarter ended 30.9.2016 RM'000	Cumulative year to date ended 30.9.2016 RM'000
Income tax expense		
- Malaysia		
- current year	(4,782)	(16,306)
- over/(under)-provision in prior years	518	(197)
Deferred tax expense		
- relating to origination and reversal of temporary differences	1,801	7,789
	<u>(2,463)</u>	<u>(8,714)</u>

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

B7. Status of corporate proposals and utilisation of proceeds

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

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

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

	As at 30.9.2016		
	Secured RM'000	Unsecured RM'000	Total RM'000
Non-current			
Borrowings			
- Ringgit Malaysia	90,380	-	90,380
- Australian Dollar	197,700	-	197,700
- United States Dollar	110,381	-	110,381
	398,461	-	398,461
Current			
Borrowings			
- Ringgit Malaysia	115,604	9,580	125,184
- United States Dollar	14,323	-	14,323
- Vietnamese Dong	-	1,781	1,781
	129,927	11,361	141,288
Total	<u>528,388</u>	<u>11,361</u>	<u>539,749</u>

The Group does not issue any debt securities.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

B9. Changes in material litigation

The Group was not engaged in any material litigation either as plaintiff or defendant and the Directors are not aware of any proceedings pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business operations of the Group.

B10. Dividends

- (a) The Company has declared a single-tier interim dividend of 2.0 sen (9M15: *) per share in respect of the financial year ending 31 December 2016 was paid on 23 September 2016 as disclosed in Note A6(ii).
- (b) Total dividend for the current year to date is 2.0 sen (9M15: *) per share.

B11. Earnings Per Share (“EPS”) attributable to Owners of the Company

	Current quarter ended 30.9.2016	Comparative quarter ended 30.9.2015	Current year to date ended 30.9.2016	Preceding year to date ended 30.9.2015
(a) <u>Basic earnings per share</u>				
Profit attributable to Owners of the Company (RM'000)	532	*	14,020	*
Weighted average number of ordinary shares in issue ('000 shares)	524,067	*	523,934	*
Basic EPS (sen)	0.10	*	2.68	*
(b) <u>Diluted earnings per share</u>				
Profit attributable to Owners of the Company (RM'000)	532	*	14,020	*
Weighted average number of ordinary shares in issue ('000 shares)	524,067	*	523,934	*
Effect of dilution from assumed conversion of Warrants C ('000 shares)	46,537	*	46,163	*
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	570,604	*	570,097	*
Diluted EPS (sen)	0.09	*	2.46	*

* In July 2015, the Company announced to change its financial year end from 30 June to 31 December to correspondence with its immediate holding company, OSK Holdings Berhad, and made up its financial statements for the 6 months period ended 31 December 2015. Hence, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods; the 2015 quarterly results have therefore not been included in this interim financial report as comparative figures.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

B12. Auditors' report of preceding annual financial statements

The auditors' report of the Group's preceding year's financial statements was not qualified.

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

	Current quarter ended 30.9.2016 RM'000	Current year to date ended 30.9.2016 RM'000
Profit before tax is arrived at after crediting/(charging) :		
(i) <u>Other income</u>		
- Fair value gain arising from changes in fair value of agricultural produce	53	162
- Interest accretion on receivables	138	26
- Interest income	1,884	4,629
- Reversal of impairment loss on receivables and contract assets	-	104
- Unrealised gain on foreign exchange	66	176
(ii) <u>Administrative expenses</u>		
- Depreciation and amortisation	(6,109)	(17,966)
(iii) <u>Other items of expense</u>		
- Bad debts written off	55	(1)
- Fair value loss arising from changes in fair value of bearer plants	(106)	(318)
- Impairment loss on:		
- goodwill on consolidation	(177)	(532)
- receivables and contract assets	(1,345)	(1,697)
- Loss on disposal of property, plant and equipment	(1)	(24)
- Property, plant and equipment written off	(23)	(206)
(iv) <u>Finance costs</u>		
- Interest expense	(2,962)	(8,634)

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

B14. Realised and unrealised profits

The breakdown of realised and unrealised retained profits of the Group disclosed below as at the reporting date pursuant to the directive issued by Bursa Malaysia Securities Berhad which prepared based on the Guidance on Special Matter No. 1: Determination of Realised and Unrealised Profits or Losses issued by the Malaysian Institute of Accountants is disclosed below:

	As at 30.9.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits of the Company and its subsidiary companies		
- Realised	546,285	551,963
- Unrealised	28,658	23,866
	<u>574,943</u>	<u>575,829</u>
Total share of retained profits from associated companies and a joint venture		
- Realised	4,147	8,029
- Unrealised	4,003	1,104
	<u>8,150</u>	<u>9,133</u>
Consolidation adjustments	32,176	50,402
Consolidated retained profits	<u>615,269</u>	<u>635,364</u>

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

By Order of the Board

Chua Siew Chuan (MAICSA 0777689)

Yau Jye Yee (MAICSA 7059233)

Company Secretaries