

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	780,921	785,130
Investment properties	569,036	570,342
Investments in associated companies and a joint venture	2,888,079	2,791,783
Bearer plants	16,651	17,298
Intangible assets	1,908	2,084
Inventories	1,129,745	1,097,344
Deferred tax assets	94,056	84,487
Available-for-sale securities	954	882
Capital financing	15,547	16,750
Trade receivables	42,318	36,645
Other assets	4,529	4,455
	5,543,744	5,407,200
Current		
Inventories	527,684	512,458
Capital financing	305,600	365,368
Contract assets	263,157	384,807
Trade receivables	273,020	394,241
Other assets	78,200	109,119
Tax recoverable	46,614	26,139
Derivative asset	25,569	30,718
Securities at fair value through profit or loss	120,379	16,309
Cash and short term funds	314,739	439,594
	1,954,962	2,278,753
Non-current assets held for sale	15,500	5,100
	1,970,462	2,283,853
Total Assets	7,514,206	7,691,053

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			
Medium term notes	B8	710,492	746,837
Borrowings	B8	840,615	846,974
Deferred income		164,919	168,233
Trade payables		48,200	48,415
Other liabilities		6,858	2,121
Deferred tax liabilities		135,603	136,772
		<u>1,906,687</u>	<u>1,949,352</u>
Current			
Medium term notes	B8	36,834	-
Borrowings	B8	496,480	604,433
Deferred income		6,149	6,196
Contract liabilities		165,169	160,465
Trade payables		237,222	354,089
Tax payable		8,376	20,475
Other liabilities		220,179	288,349
		<u>1,170,409</u>	<u>1,434,007</u>
Total Liabilities		<u>3,077,096</u>	<u>3,383,359</u>
Net Assets		<u>4,437,110</u>	<u>4,307,694</u>
Equity:			
Share capital		1,402,891	1,402,891
Treasury shares, at cost	A5(a)	(30,236)	(30,234)
		<u>1,372,655</u>	<u>1,372,657</u>
Reserves		2,874,257	2,721,375
		<u>4,246,912</u>	<u>4,094,032</u>
Issued capital and reserves attributable to Owners of the Company		4,246,912	4,094,032
Non-controlling interests		190,198	213,662
		<u>4,437,110</u>	<u>4,307,694</u>
Total Equity		<u>4,437,110</u>	<u>4,307,694</u>
Net Assets per share attributable to Owners of the Company (RM)		<u>3.07</u>	<u>2.96</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 year 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	271,174	274,600	928,988	302,164
Cost of sales	(184,956)	(186,533)	(637,048)	(194,847)
Gross profit	86,218	88,067	291,940	107,317
Other income	11,668	366,237	23,768	377,459
Administrative expenses	(57,111)	(52,774)	(172,610)	(61,073)
Other expenses	(3,897)	(3,695)	(10,060)	(13,089)
	36,878	397,835	133,038	410,614
Finance costs	(17,985)	(6,390)	(56,038)	(8,381)
	18,893	391,445	77,000	402,233
Share of results of associated companies and a joint venture	45,492	11,361	127,009	98,908
Profit before tax	64,385	402,806	204,009	501,141
Tax expense	(8,432)	(12,727)	(32,237)	(16,377)
Profit after tax	55,953	390,079	171,772	484,764
Profit attributable to:				
Owners of the Company	54,895	381,370	168,165	476,055
Non-controlling interests	1,058	8,709	3,607	8,709
	55,953	390,079	171,772	484,764
Earnings per share attributable to Owners of the Company (sen)				
Basic	3.96	31.35	12.14	45.75
Diluted	3.96	31.02	12.14	45.18

(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 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	55,953	390,079	171,772	484,764
Other Comprehensive Income/(Loss) for the period, net of tax				
Items that may 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	17,145	40,281	4,880	40,281
Share of other comprehensive income/(loss) and reserves of an associated companies:				
- Foreign exchange reserves	10,771	595	(9,554)	22,548
- Other reserves	8,866	910	34,789	6,986
Total Other Comprehensive Income for the period, net of tax	36,509	41,786	29,489	69,815
	92,462	431,865	201,261	554,579
Total Comprehensive Income attributable to:				
Owners of the Company	86,630	397,104	196,369	519,818
Non-controlling interests	5,832	34,761	4,892	34,761
	92,462	431,865	201,261	554,579

(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 2015)

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 [Note A5(a)]	Share premium	Available-for-sale reserve	Revaluation reserve	Foreign exchange reserves	Hedging reserve	Other reserves	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	RM'000
As at 1.1.2016	1,402,891	(30,234)	336,481	-	76,321	96,133	824	(10,455)	2,222,071	4,094,032	213,662	4,307,694
Profit after tax	-	-	-	-	-	-	-	-	168,165	168,165	3,607	171,772
Other comprehensive income/(loss)	-	-	-	64	-	(6,019)	(630)	34,789	-	28,204	1,285	29,489
Total Comprehensive Income/(Loss)	-	-	-	64	-	(6,019)	(630)	34,789	168,165	196,369	4,892	201,261
Dividends paid to:												
- Owners of the Company	-	-	-	-	-	-	-	-	(34,620)	(34,620)	-	(34,620)
- Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,204)	(3,204)
Acquisitions of additional interests in subsidiary companies from non-controlling interests:												
- Effects of accretion of equity interests	-	-	-	-	-	-	-	-	-	-	(37,604)	(37,604)
- Gain on acquisitions	-	-	-	-	-	-	-	-	13,955	13,955	-	13,955
Conversion of warrants in subsidiary companies												
- Shares issued by subsidiary companies	-	-	-	-	-	-	-	-	-	-	410	410
- Effects of dilution of interest in subsidiary companies	-	-	-	-	-	-	-	-	(508)	(508)	508	-
Effects of acquisitions of warrants in a subsidiary companies	-	-	-	-	-	-	-	-	(10,676)	(10,676)	-	(10,676)
Effects of accretion equity interest via capital reduction of preference shares in an indirect subsidiary company	-	-	-	-	-	(1,002)	-	-	(10,532)	(11,534)	11,534	-
Effects of dilution of interests in a subsidiary company of an associated company	-	-	-	-	-	-	-	-	(104)	(104)	-	(104)
Share buybacks by the Company	-	(2)	-	-	-	-	-	-	-	(2)	-	(2)
Total transactions with Owners and changes in ownership interests	-	(2)	-	-	-	(1,002)	-	-	(42,485)	(43,489)	(28,356)	(71,845)
As at 30.9.2016	1,402,891	(30,236)	336,481	64	76,321	89,112	194	24,334	2,347,751	4,246,912	190,198	4,437,110

QUARTERLY REPORT FOR THE THIRD QUARTER 2016
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016 (CONT'D)**

	Attributable to Owners of the Company							Non-controlling interests	Total equity	
	Share capital	Treasury shares	Share premium	Revaluation reserve	Foreign exchange reserves	Other reserves	Retained profits			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			RM'000
As at 1.1.2015	969,058	(30,232)	-	76,321	26,260	(4,064)	1,670,648	2,707,991	-	2,707,991
Profit after tax	-	-	-	-	-	-	476,055	476,055	8,709	484,764
Other comprehensive income	-	-	-	-	36,777	6,986	-	43,763	26,052	69,815
Total Comprehensive Income	-	-	-	-	36,777	6,986	476,055	519,818	34,761	554,579
Dividends paid to Owners of the Company	-	-	-	-	-	-	(190,195)	(190,195)	-	(190,195)
Acquisitions of subsidiary companies:										
- Shares issued	292,328	-	251,402	-	-	-	-	543,730	-	543,730
- Non-controlling interests arising from business combination	-	-	-	-	-	-	-	-	1,001,805	1,001,805
- Indirect non-controlling interests under subsidiary companies	-	-	-	-	-	-	-	-	66,983	66,983
Acquisitions of additional interests in subsidiary companies from non-controlling interests:										
- Shares issued	141,296	-	84,931	-	-	-	-	226,227	-	226,227
- Effects of accretion of equity interests	-	-	-	-	-	-	-	-	(863,554)	(863,554)
- Gain on acquisitions	-	-	-	-	-	-	286,109	286,109	-	286,109
Effects of acquisitions of warrants in subsidiary companies	-	-	-	-	-	-	(74,550)	(74,550)	-	(74,550)
Effects of accretion of interests in a subsidiary company of an associated company	-	-	-	-	-	-	1	1	-	1
Total transactions with Owners and changes in ownership interests	433,624	-	336,333	-	-	-	21,365	791,322	205,234	996,556
As at 30.9.2015	1,402,682	(30,232)	336,333	76,321	63,037	2,922	2,168,068	4,019,131	239,995	4,259,126

(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 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	204,009	501,141
Adjustments for:		
Non-cash and non-operating items	45,760	(365,703)
Share of results of associated companies and a joint venture	(127,009)	(98,908)
Operating profit before working capital changes	122,760	36,530
<i>Decrease/(Increase) in operating assets:</i>		
Inventories	(10,497)	(75,329)
Capital financing	63,675	(2,008)
Contract assets	121,650	1,839
Trade receivables	113,603	(11,684)
Other receivables	30,976	(15,001)
<i>Increase/(Decrease) in operating liabilities:</i>		
Deferred income	(3,362)	3,520
Contract liabilities	4,704	-
Trade payables	(117,124)	(28,363)
Other liabilities	(63,344)	71,319
Cash generated from/(used in) operations	263,041	(19,177)
Interest received	35,806	26,034
Interest paid	(32,301)	(14,366)
Income tax paid	(81,197)	(20,795)
Refund of income tax	5,655	2,700
Net cash generated from/(used in) operating activities	191,004	(25,604)
Cash Flows From Investing Activities		
Acquisitions of additional interests in subsidiary companies from non-controlling interests	(23,649)	(502,959)
Acquisition of warrants in a subsidiary companies	(10,676)	(74,550)
Advance to an associated company	(1,836)	-
Cash inflow from acquisitions of subsidiary companies	-	292,339
Dividends received	57,680	1,012
Expenditure incurred on investment properties	(28,295)	(5,367)
Fund distribution income received	784	-
Payment for trademarks	(1)	-
Proceeds from disposals of:		
- plant and equipment	346	-
- investment properties	23,436	-
- securities at fair value through profit or loss	-	28,483
Purchase of:		
- property, plant and equipment	(21,750)	(7,144)
- software licenses	(76)	(90)
- bearer plants	(186)	(87)
Share buybacks by the Company	(2)	-
Net cash used in investing activities	(4,225)	(268,363)

A5 (a)

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		
Dividends paid to Owners of the Company	(34,620)	(190,195)
Dividends paid to non-controlling interests	(3,205)	-
Drawdown of loans	109,243	49,435
Interest paid	(56,039)	(8,381)
Proceeds from issuance of shares by subsidiary companies for warrants conversion	410	152,041
(Repayment)/drawdown of revolving credits - net	(115,020)	660,322
Repayment of loans	(104,614)	(15,818)
Share issue expenses	-	(236)
Net cash (used in)/generated from financing activities	(203,845)	647,168
Net (decrease)/increase in Cash and Cash Equivalents	(17,066)	353,201
Effects of exchange rate changes	(193)	32,268
Cash and Cash Equivalents at beginning of period	451,582	56,098
Cash and Cash Equivalents at end of period	434,323	441,567
Cash and Cash Equivalents comprised:		
Cash and short term funds	314,739	448,112
Securities at fair value through profit or loss, liquid investments	120,182	-
	434,921	448,112
Bank overdrafts	(598)	(6,545)
	434,323	441,567

(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 2015)

QUARTERLY REPORT FOR 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 year 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 year ended 31 December 2015.

The significant accounting policies and methods of computation applied in preparing the unaudited interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 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 to 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 remeasured when the acquisition of an additional interest in the same joint operation results in retaining joint control.
- (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 statements.

QUARTERLY REPORT FOR 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)

- (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 does not have any material impact to the Group.

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 additional 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.

QUARTERLY REPORT FOR 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)

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

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.

- (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.

QUARTERLY REPORT FOR 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)

(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.

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 and cash flows

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

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**

The Company purchased 1,000 ordinary shares for a total cash consideration of RM1,635 from the open market at an average cost of RM1.64 per share. 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 January 2016	18,098,253	2.82	0.90	1.67	30,234,418
Purchased in June 2016	1,000	1.59	1.59	1.64	1,635
As at 30 September 2016	18,099,253	2.82	0.90	1.67	30,236,053

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

(b) Medium Term Note Programme for the issuance of medium term notes of up to RM990.00 million in nominal value ("MTN Programme")

On 15 October 2015, the Company lodged with the Securities Commission Malaysia ("SC") all the required information and relevant documents relating to the MTN Programme pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. The MTN Programme provides the Company the flexibility to raise funds via the issuance of MTNs which can be utilised to refinance its existing borrowings and to fund its working capital requirements. The MTN Programme is unrated and has a tenure of fifteen (15) years from the date of its first issuance.

On 30 October 2015, the Company issued MTNs of RM750.00 million to refinance its existing borrowings. The MTNs were issued in 12 tranches with maturities commencing from 2017 to 2022. The MTNs are redeemable every 6 months commencing 18 months after the first issuance date. The MTNs issued bear interest rate of 4.93% per annum at the time of issuance.

The terms of the MTN Programme contain various covenants, including the following:-

- (i) The Company shall maintain a Gearing Ratio of not exceeding 1.50 times throughout the tenure of the MTN Programme.
- (ii) The Company shall maintain a Security Cover Ratio of not less than 1.50 times throughout the tenure of the MTN Programme.
- (iii) The Company shall maintain a Debt Service Reserve Account ("DSRA") of an amount equivalent to one interest payment, which is pre-funded from the Company's internal fund and shall ensure that there are sufficient funds in the DSRA.

The amount can be utilised for the payment of interest of MTNs in the event of a default in interest payment obligations. Any utilised funds shall be replenished within 14 days from the date of withdrawal/shortfall.

The MTN Programme are secured by the following:

- (i) First party legal charge by way of Memorandum of Deposit with Power of Attorney over shares and warrants in certain subsidiary companies; and
- (ii) First party assignment and charge over the Company's right (including right to sue), title, interest and benefit in and under the DSRA and Disbursement Account and all monies standing to the credit thereto.

There were no issuance and repayment of MTN during the current year to date. As at 30 September 2016, the total outstanding MTN remained at RM750.00 million.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

(c) Warrants C 2015/2020

On 23 July 2015, the Company issued 237,732,751 Warrants C 2015/2020 pursuant to the Bonus Issue of Warrants, which were listed on the Main Market of Bursa Securities with effect from 9.00 a.m. on 4 August 2015.

The Stock Short Name, Stock Number and ISIN Code of the Warrants C 2015/2020 are "OSK-WC", "5053WC" and "MYL5053WCU71ö respectively. The main features of Warrants C 2015/2020 are as follows:

- (i) Each Warrant C 2015/2020 entitles the holder to subscribe for 1 new ordinary share of RM1.00 each in the Company at a exercise price of RM1.80 per share by cash at any time during normal business hours up to 5.00 pm on or before 22 July 2020; and
- (ii) Full provisions regarding the transferability of Warrants C 2015/2020 to new ordinary shares, which will thereafter rank pari passu with the existing ordinary shares of the Company, adjustment of the Exercise Price in certain circumstances, quotation on Bursa Securities and other terms and conditions pertaining to the Warrants C 2015/2020 are set out in detail in a Deed Poll executed by the Company on 7 July 2015, which is available for inspection at the registered office of the Company.

During the current year to date, the Company issued 80 new ordinary shares of RM1 each for cash pursuant to conversion of 80 Warrants C 2015/2020.

As at 30 September 2016, the total number of Warrants C 2015/2020 remained unexercised is 237,732,671 (31 December 2015: 237,732,751).

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 current year to date, a final single-tier dividend of 2.5 sen per share amounting to RM34.62 million in respect of the preceding financial year ended 31 December 2015 was paid on 11 May 2016.

QUARTERLY REPORT FOR 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 and Management - Management and letting of properties, contributing rental yield and appreciation of properties.

(b) Construction

- (i) Construction - Building construction works.

(c) Industries

- (i) Cables - Manufacturing and trading of cables 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) Financial Services and Investment Holding

- (i) Capital Financing - Capital financing activities, generating interest, fee and related income.
- (ii) 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 year ended 31 December 2015.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016
A7. Segmental information (Cont'd)
(a) Business segment analysis

The following table provides an analysis of the Group's revenue and results by business segments:

(RM'000)	Property	Cons- truction	Industries	Hospitality	Financial Services & Investment Holdings	Inter- segments Eliminations	Total
Current year to date ended 30.9.2016							
Revenue							
External parties	567,505	7,145	228,580	89,473	36,285	-	928,988
Inter-segment	2,683	127,301	456	164	16,363	(146,967)	-
Dividends from subsidiary companies	-	-	-	-	290,149	(290,149)	-
Dividend from an associated company	-	-	-	-	57,680	(57,680)	-
Total	570,188	134,446	229,036	89,637	400,477	(494,796)	928,988
Results							
Segment profit/(loss)	92,815	7,542	27,519	(9,814)	(31,824)	(9,238)	77,000
Share of results of associated companies and a joint venture	-	-	-	-	127,009	-	127,009
Profit/(loss) before tax	92,815	7,542	27,519	(9,814)	95,185	(9,238)	204,009
Tax expense							(32,237)
Profit after tax							171,772
Preceding year to date ended 30.9.2015							
Revenue							
External parties	199,139	2,450	49,069	21,820	29,686	-	302,164
Inter-segment	2,164	29,436	138	80	4,269	(36,087)	-
Dividend from an associated company	-	-	-	-	15,348	(15,348)	-
Total	201,303	31,886	49,207	21,900	49,303	(51,435)	302,164
Results							
Segment profit	38,251	2,568	5,557	688	355,427	(258)	402,233
Share of results of an associated companies and a joint venture	-	-	-	-	98,650	258	98,908
Profit before tax	38,251	2,568	5,557	688	454,077	-	501,141
Tax expense							(16,377)
Profit after tax							484,764

QUARTERLY REPORT FOR 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	904,496	2,603	21,889	928,988
Profit/(Loss) before tax	206,825	(2,723)	(93)	204,009
Preceding year to date ended 30.9.2015				
Revenue	295,748	543	5,873	302,164
Profit/(Loss) before tax	501,625	(318)	(166)	501,141

QUARTERLY REPORT FOR 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 wholly-owned subsidiary company of Swiss-Garden International Sdn Bhd which is a subsidiary company of PJ Development Holdings Berhad ("PJDH"), which in turn is a subsidiary company 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 ("PJPL")

PJPL, a dormant wholly-owned subsidiary company of Pengerang Jaya Pte. Ltd. which is a subsidiary company of PJDH, which in turn is a subsidiary company of the Company, has on 16 June 2016 received a notification dated 6 June 2016 from Accounting and Corporate Regulatory Authority informing that PJPL has been struck off from the register under the Singapore Companies Act (Chapter 50).

(c) Distribution and capital repayment of RHB Capital Berhad (øRHBCø) and transfer of listing status

On 13 June 2016, RHBC, an associated company of the Company, completed the distribution of the entire shareholding in RHB Bank Berhad (øRHBBø) by way of distribution-in-specie via a reduction of the entire share premium account of RHBC and a reduction in the share capital of RHBC by reducing the par value of all the ordinary shares in RHBC from RM1.00 each to RM0.05 each and the remaining balance via distribution of RHBC's retained earnings.

On 24 June 2016, the shareholders of the RHBC had at its extraordinary general meeting approved the members' voluntary winding up of the RHBC pursuant to Section 254(1)(b) of the Companies Act, 1965 (øActø) (øWinding Upø). In this regard, the Winding Up of RHB Capital has commenced on even date. The Winding Up of RHBC will not have any material effect on the earnings and net assets of RHBC for the financial year ending 31 December 2016.

Arising from the above, the Company received 406,171,518 ordinary shares of RHBB, representing 10.13% equity interest in RHBB. The investment in RHBB is recognised as investment in associated company and its results is accounted for in the consolidated financial statements as share of results of associated company.

On 28 June 2016, RHBC was delisted from the Main Market of Bursa Securities and RHBB assumed the listing status of RHBC on the even date.

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

On 10 August 2016, PJDCI, a dormant indirect 78.54% owned subsidiary company of PJD Construction Sdn Bhd ("PJDC"), a wholly owned subsidiary company of PJDH, which in turn is a 70.15% subsidiary company 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 Company's equity interest in PJDCI increased to 88.38% from 70.15% .

The above do not have any material financial impact of the Group.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

(e) Acquisition of additional equity interest in PJDH ("PJDH Take-Over Offer")

Pursuant to the Notice of Unconditional Voluntary Take-Over Offer announced on 30 August 2016 and the subsequent despatched of Offer Document to the shareholders and warrant holders of PJDH on 20 September 2016, the following ordinary shares and warrants were acquired (via open market and acceptance of offer) during the quarter under review:-

	Open Market RM	Acceptance of Offer RM	Total RM
Shares:			
Number of ordinary shares	14,188,500	1,577,694	15,766,194
Average price per share	1.50	1.50	1.50
Total purchase price	<u>21,282,750</u>	<u>2,366,541</u>	<u>23,649,291</u>
Warrants:			
Number of warrants	19,372,200	1,608,275	20,980,475
Average price per warrant	0.50	0.50	0.50
Total purchase price	<u>9,686,100</u>	<u>804,138</u>	<u>10,490,238</u>

Arising from the above acquisition, the Company's equity interest in PJDH increased from 89.36% to 92.30% as at 30 September 2016.

The acquisition 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	37,604
Gains on consolidation recognised in equity	<u>(13,955)</u>
Cash outflow on acquisitions of additional equity interest in subsidiary company	<u>23,649</u>

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

(a) Acquisition of additional equity interest in PJDH after 30 September 2016

From 1 October 2016 to 28 November 2016, pursuant to the PJDH Take-Over Offer mentioned in A8 (e), the following ordinary shares and warrants were acquired (via open market and acceptance of offer):

	Open Market RM	Acceptance of Offer RM	Total RM
Shares:			
Number of ordinary shares	4,211,500	15,697,115	19,908,615
Average price per share	1.50	1.50	1.50
Total purchase price	<u>6,317,250</u>	<u>23,545,672</u>	<u>29,862,922</u>
Warrants:			
Number of warrants	1,350,700	8,645,097	9,995,797
Average price per warrant	0.50	0.50	0.50
Total purchase price	<u>675,350</u>	<u>4,322,548</u>	<u>4,997,898</u>

Arising from the above acquisition, the Company's equity interest in PJDH increased from 92.30% to 96.10%.

(b) Second issuance of MTNs of RM100.00 million

As disclosed in Note A5 (b) on the MTN programme, the Company had on 17 November 2016 further issued MTNs of RM100.00 million for working capital purpose. The MTNs were issued in 10 tranches with maturities commencing from 2018 to 2022. The MTNs are redeemable every 6 months commencing 18 months after the second issuance date, 17 November 2016. The MTNs issued bear interest rate of 4.70% per annum.

The terms of the MTN Programme remained unchanged other than the withdrawals of the unutilised balance sum of RM9.88 million from the first issuance Disbursement Account for working capital purposes.

Arising from this, the Company received a total sum of RM109.88 million on the same date.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016
A10. Significant unrecognised contractual commitments

	As at 30.9.2016 RM'000	As at 31.12.2015 RM'000
Contracted but not provided for:		
- Acquisition of plant, equipment and software	1,152	2,929
- Acquisition of development land	133,091	8,535
- Construction of investment property	23,628	38,817
- Professional fee for corporate exercise	240	-
	158,111	50,281

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

Entities	Nature of transactions	Income / (Expense) Current year to date ended 30.9.2016 RM'000
(a) <u>Significant transactions with associated companies:</u>		
Agile PJD Development Sdn Bhd	- Interest income	1,836
RHB Investment Bank Berhad	- Office rental income	6,050
	- Interest income	246
RHB Asset Management Sdn Bhd	- Office rental income	1,243
RHB Bank Berhad	- Office rental income	589
	- Interest income	492
	- Interest expense	(31,122)
	- Commitment fee	(1,039)
RHB Research Institute Sdn Bhd	- Office rental income	220
(b) <u>Significant transactions with other related parties:</u>		
Dindings Construction Sdn Bhd	- Construction works	(14,155)
DC Services Sdn Bhd	- Insurance premium expense	(1,369)
Dindings Life Agency Sdn Bhd	- Insurance premium expense	(787)
Dindings Risks Management Services Sdn Bhd	- Insurance premium expense	(332)
Sincere Source Sdn. Bhd.	- Insurance premium expense	(769)
Willowglen (M) Sdn Bhd	- Upkeep and maintenance expenses	(1,399)

QUARTERLY REPORT FOR 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 were approximated their fair values due to the relatively short term maturity in nature of these financial instruments. The Group's capital financing are mostly fixed rate loans with short term maturities and the carrying amounts of capital financing are approximate their fair values. The fair values of impaired fixed rate capital financing are represented by their carrying value, net of individual impairment allowance, being the expected recoverable amount.

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				
Non financial assets				
Investment properties	-	220,771	348,265	569,036
Financial assets				
Available-for-sale securities	-	-	954	954
Derivative asset	-	25,569	-	25,569
Securities at fair value through profit or loss	120,379	-	-	120,379
	120,379	246,340	349,219	715,938
As at 31.12.2015				
Non financial assets				
Investment properties	-	243,075	327,267	570,342
Financial assets				
Available-for-sale securities	-	-	882	882
Derivative asset	-	30,718	-	30,718
Securities at fair value through profit or loss	16,309	-	-	16,309
	16,309	273,793	328,149	618,251

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016**A13. Fair value measurement (Cont'd)**

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

As at 30.9.2016

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

Cross-currency interest rate swap has 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 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 Group's overall financial performance are analysed as below:

	Immediate preceding quarter ended 30.6.2016 RM'000	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	309,527	271,174	274,600	928,988	302,164
Pre-tax profit from the businesses	22,974	18,893	391,445	77,000	402,233
Share of results of associated companies and a joint venture	31,310	45,492	11,361	127,009	98,908
Pre-tax profit	54,284	64,385	402,806	204,009	501,141
Negative goodwill arising from acquisitions of subsidiary companies	-	-	(363,163)	-	(363,163)
Pre-tax profit before negative goodwill	54,284	64,385	39,643	204,009	137,978

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

The Group registered total revenue of RM928.99 million for the current year to date ("9M16"), increased by RM626.83 million or more than 3 times, compared with RM302.16 million in the preceding year to date ("9M15"). The revenue improvement was mainly contributed by the subsidiary companies, OSK Property Holdings Berhad ("OSKPH") and PJ Development Holdings Berhad ("PJDH") acquired in August 2015. The 9M16 revenue derived from the Property, Construction, Industries and Hospitality Segments as well as from the existing Capital Financing and Property Investment Divisions.

The Group's pre-tax profit for 9M16 of RM204.01 million was RM297.13 million or 59% lower than 9M15 of RM501.14 million which included gains of RM363.16 million negative goodwill arising from the acquisitions of OSKPH and PJDH. Excluding the one-off gains of RM363.16 million in 9M15, the pre-tax profit increased by RM66.03 million or 48% to RM204.01 million in 9M16 from RM137.98 million in 9M15. The improvement in pre-tax profit was primarily attributable to higher contribution by Financial Services and Investment Holding Segment; and earnings generated by OSKPH and PJDH groups for nine months in 9M16 versus two months in 9M15, partly offset by interest expenses incurred for the acquisitions of OSKPH and PJDH.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016
B1. Performance analysis of the Group for the current quarter and year to date (Cont'd)

Pre-tax profit analysis of the respective business segments is as follow:

<u>Business Segments (RM'000)</u>	Immediate preceding quarter ended 30.6.2016	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
<i>Property Development</i>	19,503	16,935	27,801	73,967	27,801
<i>Property Investment and Management</i>	4,772	8,999	4,399	18,848	10,450
1. Property	24,275	25,934	32,200	92,815	38,251
2. Construction	5,161	751	2,568	7,542	2,568
<i>Cables</i>	8,231	6,346	2,949	22,634	2,949
<i>IBS</i>	1,633	1,852	2,608	4,885	2,608
3. Industries	9,864	8,198	5,557	27,519	5,557
<i>Hotels and Resorts</i>	(5,529)	925	2,102	(7,856)	2,102
<i>Vacation Club</i>	623	(1,462)	(1,414)	(1,958)	(1,414)
4. Hospitality	(4,906)	(537)	688	(9,814)	688
<i>Capital Financing</i>	8,865	6,253	2,973	20,591	9,963
<i>Investment Holding</i>	15,184	26,321	358,820	74,594	444,114
5. Financial Services and Investment Holding	24,049	32,574	361,793	95,185	454,077
Less: Inter-segments eliminations	(4,159)	(2,535)	-	(9,238)	-
Pre-tax profit	54,284	64,385	402,806	204,009	501,141

Following the acquisition of OSKPH and PJDH in August 2015, the Group has five key business segments, namely Property, Construction, Industries, Hospitality, and Financial Services and Investment Holding Segments. Hence, the performance analysis of the Group is made up of contributions by OSKPH and PJDH for nine months in 9M16 and two months in 9M15.

The Property Segment registered revenue of RM570.19 million and pre-tax profit of RM92.82 million in 9M16 as compared to revenue of RM201.30 million and pre-tax profit of RM38.25 million in 9M15, representing an increase of RM368.89 million or 183% in revenue and RM54.57 million or 143% in pre-tax profit. The 9M16 revenue and pre-tax profit saw a positive contribution from the property development projects undertaken by the enlarged Group, and income from investment properties such as Plaza OSK and Atria Shopping Gallery. In addition, the Group recorded gains of RM4.24 million on disposals of certain non-core investment properties in 9M16.

The Construction Segment registered revenue of RM134.45 million and pre-tax profit of RM7.54 million in 9M16 as compared to revenue of RM31.88 million and pre-tax profit of RM2.57 million in 9M15, representing an increase of RM102.57 million or 321% in revenue and RM4.97 million or 193% in pre-tax profit. The contribution by the segment was mainly generated from the construction of the Group's property development projects.

The Industries Segment which comprises the Cables and IBS Divisions, registered revenue of RM229.04 million and pre-tax profits of RM27.52 million in 9M16 as compared to revenue of RM49.21 million and pre-tax profit of RM5.56 million in 9M15, representing an increase of RM179.83 million or 365% in revenue and RM21.96 million or 395% in pre-tax profit respectively. The Cables Division recorded a strong growth due to increased demand and better margin secured from property, infrastructure and power supply sectors in 9M16. The IBS Division performed satisfactorily despite the softening property market locally as our results were partially cushioned by demand from Singapore.

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

The Hospitality Segment registered revenue of RM89.64 million and pre-tax loss of RM9.81 million in 9M16 as compared to revenue of RM21.90 million and pre-tax profit of RM0.69 million in 9M15, representing an increase of RM67.74 million or 309% in revenue and a decrease of RM10.50 million or 152% in pre-tax profit respectively. The pre-tax loss was mainly due to low occupancy rates at some of the hotels. Also, the new hotel in Johor Bahru which has just commenced its operations in early 2016 is still in its gestation period.

The Capital Financing Division registered revenue of RM32.43 million and pre-tax profit of RM20.59 million in 9M16 as compared to revenue of RM29.02 million and pre-tax profit of RM9.96 million in 9M15, representing an increase of RM3.41 million or 12% in revenue and RM10.63 million or 107% in pre-tax profit respectively. The increase in pre-tax profit was contributed by higher net fee and interest income due to higher loan disbursements and lower operating costs incurred in 9M16. In addition, the division wrote back allowance for doubtful debts of RM2.70 million in 9M16 as compared to allowance for doubtful debts of RM3.26 million made in 9M15.

The Investment Holding Division contributed pre-tax profit of RM74.59 million in 9M16 compared with RM444.11 million in 9M15 as there were RM363.16 gains on negative goodwill arising from acquisitions of OSKPH and PJDH included in 9M15. Without the one-off gains of RM363.16 million in 9M15, the reduction in pre-tax profit of RM74.59 million in 9M16 compared with RM80.95 million in 9M15 was due to increase in finance costs and partly mitigated by the higher share of profit of RHB group of RM127.99 million during the period as compared to RM100.63 million in 9M15.

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

The Group registered revenue of RM271.17 million in 3Q16, decreased by RM3.43 million or 1% as compared with RM274.60 million in 3Q15. The pre-tax profit for 3Q16 of RM64.39 million was RM338.42 million or 84% lower than 3Q15 pre-tax profit of RM402.81 million which included gains of RM363.16 million, being the negative goodwill arising from acquisitions of OSKPH and PJDH in 3Q15. Excluding the one-off gains of RM363.16 million in 3Q15, the pre-tax profit increased by RM24.75 million or 62% from RM39.64 million in 3Q15 to RM64.39 million in 3Q16 due to higher share of results of associated companies and a joint venture offsetted by lower profit contribution from Property Development Division and Construction Segment.

The Property Development Division registered revenue of RM135.64 million and pre-tax profit of RM16.94 million in 3Q16 as compared to revenue of RM181.91 million and pre-tax profit of RM27.80 million in 3Q15. The lower performance was mainly affected by fewer number of property development projects in progress due to completion of certain projects. New projects were not launched in view of the lackluster property market condition.

The Property Investment and Management Division registered revenue of RM11.92 million and pre-tax profit of RM9.00 million as compared to revenue of RM9.90 million and pre-tax profit of RM4.40 million in 3Q15. The improvement in performance was mainly attributed to additional contribution from the investment properties portfolio including Atria Shopping Gallery which generates lease rentals from higher occupancy rate. The Group also registered gains on disposals of certain non-core investment properties in 3Q16.

The Construction Segment registered higher revenue of RM36.90 million in 3Q16 as compared to RM31.88 million in 3Q15 and lower pre-tax profit of RM0.75 million in 3Q16 as compared to RM2.57 million in 3Q15. The decrease in pre-tax profit was mainly due to lower profit margin contribution from the on-going projects.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

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

The Cables Division registered revenue of RM66.76 million and pre-tax profit of RM6.35 million in 3Q16 as compared to revenue of RM39.68 million and pre-tax profit of RM2.95 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 registered higher revenue of RM10.69 million in 3Q16 as compared to RM9.52 million in 3Q15 despite lower pre-tax profit of RM1.85 million in 3Q16 as compared to RM2.61 million in 3Q15. The decrease in pre-tax profit was due to the weak demand from the property market.

The Hospitality Segment registered revenue of RM31.36 million and pre-tax loss of RM0.54 million in 3Q16 as compared to revenue RM21.90 million and pre-tax profit of RM0.69 million in 3Q15. The increase in revenue was due to higher sale of vacation club memberships and the opening of the new hotel in JB. Despite the higher revenue, the Segment suffered a pre-tax loss during the current quarter due to low occupancy rates at some of its hotels.

The Capital Financing Division registered higher revenue RM11.22 million in 3Q16 compared with RM10.16 million in 3Q15; and higher pre-tax profit of RM6.25 million in 3Q16 versus RM2.97 million in 3Q15. The Capital Financing achieved higher fee and interest income as a result of higher loan disbursement coupled with lower operating costs incurred in 3Q16. In 3Q15, there was allowance for doubtful debts of RM2.88 million.

The Investment Holding Division contributed pre-tax profit of RM26.32 million in 3Q16 as compared to RM358.82 million in 3Q15 which included gains on negative goodwill of RM363.16 million. The higher share of results of associated companies and a joint venture of RM45.49 million in 3Q16 compared with RM11.31 million in 3Q15 was mainly contributed by RHB group. Nevertheless the higher share of profit were set-off by the funding costs incurred due to the acquisitions of OSKPH and PJDH.

B2. Commentary for current quarter compared with immediate preceding quarterCurrent quarter ("3Q16") and immediate preceding quarter ("2Q16")

The Group registered revenue of RM271.17 million for current quarter ("3Q16") as compared to RM309.53 million in the immediate preceding quarter ("2Q16") and pre-tax profit of RM64.39 million in 3Q16 compared with RM54.28 million in 2Q16. Despite the drop in pre-tax profit from the core business which were in line with the decrease in revenue, the overall Group's pre-tax profit increase due to higher share of results of associate companies and a joint venture.

The Property Segment recorded revenue of RM147.56 million and pre-tax profit of RM25.93 million in 3Q16 as compared to revenue of RM185.91 million and pre-tax profit of RM24.28 million in 2Q16. The decrease in revenue by RM38.35 million or 21% was due to lower progress billings from fewer on-going projects. Despite the decrease in revenue, the pre-tax profit increased by RM1.65 million or 7% mainly due to gains on disposals of certain non-core investment properties in 3Q16.

The Construction Segment registered revenue of RM36.90 million and pre-tax profit of RM0.75 million in 3Q16 as compared to revenue of RM42.79 million and pre-tax profit of RM5.16 million in 2Q16, representing a decrease of RM5.89 million or 14% in revenue and RM4.41 million or 85% in pre-tax profit. The lower pre-tax profit was mainly due to lower margin recognised from the existing on-going projects.

The Cables Division recorded revenue of RM66.76 million and pre-tax profit of RM6.35 million in 3Q16 as compared to revenue of RM72.59 million and pre-tax profit of RM8.23 million in 2Q16. The lower revenue and pre-tax profit in 3Q16 of RM5.83 million or 8% and RM1.88 million or 23% respectively mainly due to lower demand in Malaysia and Vietnam markets and allowance for doubtful debts of RM0.70 million in 3Q16.

The IBS Division recorded revenue of RM10.69 million and pre-tax profit of RM1.85 million in 3Q16 as compared to revenue of RM9.28 million and pre-tax profit of RM1.63 million in 2Q16. The revenue and pre-tax profit increased by RM1.41 million or 15% and RM0.22 million or 13% respectively mainly due to increased demand from Malaysia and Singapore and higher production output.

The Hospitality Segment recorded revenue of RM31.36 million and pre-tax loss of RM0.54 million in 3Q16 as compared to revenue of RM26.96 million and pre-tax loss of RM4.91 million in 2Q16. The revenue increased by RM4.40 million or 16% and the pre-tax loss reduced by RM4.37 million or 89% mainly due to the higher occupancy rate of the hotels in view of holiday season.

The Capital Financing Division recorded revenue of RM11.22 million and pre-tax profit of RM6.25 million in 2Q16 as compared to revenue of RM11.09 million and pre-tax profit of RM8.87 million in 2Q16. The higher revenue mainly derived from higher net fees and interest income. The decrease in pre-tax profit by RM2.62 million or 30% was due to write back of allowance for doubtful debts of RM2.52 million in 2Q16.

The Investment Holding Division contributed pre-tax profit of RM26.32 million in 3Q16, increased by RM11.14 million or 73%, compared with RM15.18 million in 2Q16. The higher pre-tax profit was mainly due to the higher share of profit of RHB group.

QUARTERLY REPORT FOR 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
(commentary on remaining quarter)

The Property Development Segment will continue to be supported by the launched projects. However, the Board does not expect any significant changes in view of the persistent challenging market conditions. The Property Investment business would continue to produce steady rental income from the commercial and retail tenants.

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

The Industries Segment is expected to perform satisfactorily as the slowdown in IBS deliveries are being cushioned by the strong performance of the Cables business.

The Hospitality Segment should perform better in the year end holiday season.

The Financial Services and Investment Holding Segment is expected to do well this year due to increased demand for alternative financing by a broad spectrum of customers and RHB group is expected to do well.

The Board is of the view that the remaining year will be challenging for the Group. Despite the unfavourable economic climate in Malaysia, the Board expects the Group to achieve satisfactory results.

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2016
B6. Tax expense

	Current quarter ended 30.9.2016 RM'000	Current year to date ended 30.9.2016 RM'000
In respect of the current year		
Malaysian income tax	(14,062)	(38,625)
Under provision in respect of prior years		
Malaysian income tax	(3,995)	(4,710)
Deferred taxation	9,625	11,098
Tax expense	<u>(8,432)</u>	<u>(32,237)</u>

Excluding share of results of associated companies and a joint venture, the effective tax rate for the current year to date is higher than the statutory tax rate of 24% mainly due to non-deductibility of certain expenses and losses in certain subsidiary companies that are not available for off-set 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 and debt securities 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			
Debts - Medium term notes			
- Ringgit Malaysia	710,492	-	710,492
Borrowings			
- Ringgit Malaysia	532,534	-	532,534
- Australian Dollar	197,700	-	197,700
- United States Dollar	110,381	-	110,381
	840,615	-	840,615
Current			
Debts - Medium term notes			
- Ringgit Malaysia	36,834	-	36,834
Borrowings			
- Ringgit Malaysia	156,241	324,135	480,376
- United States Dollar	14,323	-	14,323
- Vietnamese Dong	-	1,781	1,781
	170,564	325,916	496,480
Total	<u>1,758,505</u>	<u>325,916</u>	<u>2,084,421</u>

B9. Changes in material litigation

Saved as disclosed below, the Group was not engaged in any material litigation, claims nor arbitration either as plaintiff or defendant and the Directors are not aware of any proceeding pending or threatened against the Group or of any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

(a) Claims by BUCG (M) Sdn Bhd (öBUCGö) against Atria Damansara Sdn Bhd ("ADSB")

ADSB, a subsidiary company of OSK Property Holdings Berhad ("OSKPH") which in turn is a subsidiary company of the Company, had on 29 June 2012 appointed BUCG for the Main Building Works of The Atria Redevelopment Project (öthe Contractö).

On 18 August 2015, BUCG purportedly determined its own employment under the Contract based on ADSB's failure to pay certain certified payments.

On 2 September 2015 ADSB responded to BUCG stating, among others, that no sums were due to BUCG as ADSB was entitled to withhold and deduct certain outgoings against the said certified payments.

BUCG filed their Payment Claim on 13 October 2015 for the sum of RM73.3 million under the Construction Industry Payment and Adjudication Act 2012 (öthe CIPAAö). On 28 October 2015, ADSB disputed the entire Payment Claim vide its Payment Response and replied, among others, that ADSB was entitled to the defence of set-off and/or counter-claim amounting to RM102.8 million.

On 19 November 2015, BUCG issued a Notice of Adjudication under the CIPAA against ADSB.

At the end of the adjudication proceedings, the Adjudicator delivered his decision on 11 July 2016 and ADSB was ordered to pay the following:-

- (i) Outstanding sum due to BUCG in the sum of RM1,127,412.60;
- (ii) Adjudication fees and expenses in the sum of RM119,660.14; and
- (iii) Interest at 5% per annum from 11 October 2015 until date of actual payment.

On 25 July 2016, a sum of RM1,289,698.18 was paid by ADSB to BUCG.

(b) Claims by 14 Houseowners / Purchasers against OSK Properties Sdn Bhd ("OSKPSB") (together with architect W.K.Khor Architect and Majlis Perbandaran Sungai Petani ("MPSP"))

OSKPSB, a subsidiary company of OSKPH which in turn is a subsidiary company of the Company had entered into sale and purchase agreements with 14 purchasers (öthe Purchasersö) from Year 2012 to Year 2013 for the purchase of housing units at the Bandar Puteri Jaya project in Sungai Petani for a total purchase price of RM4.2 million which Sale and Purchase Agreement prices ranges from RM271,212 to RM385,022 each.

On 3 May 2016, OSKPSB was served with Writ and Statement of Claim by the Purchasers whom had alleged inter-alia that the construction of their properties had defects and also differed from the show house. They claimed damages amounting to RM2.5 million each against OSKPSB and the architect and RM700,000 from MPSP.

The Architect and MPSP filed a Notice of Application to strike out the Purchasersø case against them (Striking Out Application) and their Striking Out Application was allowed on 25 October 2016.

At the case management on 22 November 2016, the Plaintiffs filed stay application on all proceedings including the Discovery Application pending the Plaintiffsø appeal against the Architect and MPSP.

The case management is still in the progress and the next case management is fixed on 21 December 2016.

No date has been fixed for Plaintiffs' application for discovery of documents.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016
B10. Dividends

- (a) The Company declared a single-tier interim dividend of 2.5 sen (9M15: 2.5 sen) per share in respect of the financial year ending 31 December 2016 was paid on 31 October 2016.
- (b) Total dividend for the current year to date is 2.5 sen (9M15: 17.5 sen including a single-tier special dividend of 15 sen per ordinary share) 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)	54,895	381,370	168,165	476,055
Weighted average number of ordinary shares in issue (ø000 shares)	1,384,792	1,216,681	1,384,792	1,040,507
Basic EPS (sen)	3.96	31.35	12.14	45.75
(b) <u>Diluted earnings per share</u>				
Profit attributable to Owners of the Company (RM'000)	54,895	381,370	168,165	476,055
Weighted average number of ordinary shares in issue (ø000 shares)	1,384,792	1,216,681	1,384,792	1,040,507
Effect of dilution from assumed exercise of Warrants C 2015/2020 ('000 shares)	- ^	12,787	- ^	13,103
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	1,384,792	1,229,468	1,384,792	1,053,610
Diluted EPS (sen)	3.96	31.02	12.14	45.18

^ The Company's Warrants C 2015/2020 could potentially dilute basic earnings per share in future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive during the current year to date.

B12. Auditors' report of preceding annual financial statements

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

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016
B13. Items included in the Statements of Profit or Loss and Statements of Comprehensive Income

	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 before tax is arrived at after (charging)/crediting:				
(i) <u>Revenue</u>				
- Interest income	9,086	8,415	27,144	24,844
- Rental income	11,534	4,049	34,664	12,752
(ii) <u>Cost of sales</u>				
- Interest expense	(2,915)	(3,035)	(8,521)	(8,619)
(iii) <u>Other income</u>				
- Bad debts recovered	158	1	105	2
- Fair value gain on agricultural produces	53	-	162	-
- Fund distribution income	534	23	784	781
- Gain on disposals of investment properties	3,445	-	4,236	-
- Gain on disposals of plant and equipment	19	-	49	-
- Gain on disposals of securities	-	-	-	10,492
- Gain on revaluation of securities at fair value through profit or loss	12	261	36	36
- Interest income on deposits and placements with financial institutions	3,325	1,190	8,662	1,190
- Negative goodwill arising from acquisitions of: - subsidiary companies	-	363,163	-	363,163
- Realised gain on foreign exchange translations	202	-	340	-
- Unrealised gain on foreign exchange translations	55	69	176	101
- Write back of allowance for impairment losses on capital financing:				
- Collective assessment	-	-	-	40
- Individual assessment	175	-	2,701	-
- Write back of allowance for impairment losses on trade receivables				
- Individual assessment	126	-	126	-
(iv) <u>Administrative expenses</u>				
- Depreciation and amortisation	(6,137)	(6,156)	(18,084)	(6,768)

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016
B13. Items included in the Statements of Profit or Loss and Statements of Comprehensive Income (Cont'd)

	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 before tax is arrived at after (charging)/crediting:				
(v) <u>Other items of expense</u>				
- Allowance for impairment losses on capital financing:				
- Individual assessment	-	(2,879)	-	(3,258)
- Allowance for impairment losses on trade receivables	(1,633)	-	(1,823)	-
- Bad debts written off	-	-	(1)	-
- Fair value loss on bearer plants	(106)	-	(318)	-
- Loss on disposal of plant and equipment	(20)	-	(73)	-
- Loss on disposals of securities	-	(815)	-	-
- Loss on revaluation of securities at fair value through profit or loss	-	-	(7)	-
- Realised loss on foreign exchange translations	-	(1)	(3)	(14)
- Reversal of unrealised gain on fair value of securities at fair value through profit or loss	-	-	-	(9,817)
- Write off of plant and equipment	(62)	-	(305)	-
(vi) <u>Finance costs</u>				
- Interest expense	(17,985)	(6,390)	(56,038)	(8,381)

Items for other comprehensive income are disclosed in the Statement 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 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	2,099,617	2,190,786
- Unrealised	433,336	410,641
	2,532,953	2,601,427
Total share of retained profits of associated companies and a joint venture		
- Realised	609,269	499,434
- Unrealised	4,003	1,104
	613,272	500,538
Less : Consolidation adjustments	(798,474)	(879,894)
Consolidated retained profits	2,347,751	2,222,071

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

Tan Sri Ong Leong Huat
Chief Executive Officer / Group Managing Director
Kuala Lumpur
30 November 2016