OSK Holdings Berhad (207075-U)

QUARTERLY REPORT FOR THE FOURTH QUARTER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	As at 31.12.2016 RM'000	As at 31.12.2015 RM'000
Assets:		
Non-current		
Property, plant and equipment	**778,257**	802,393
Investment properties	**649,780**	570,342
Investments in associated companies and a joint venture	**2,896,737**	2,791,783
Intangible assets	**2,156**	2,084
Inventories	**1,161,723**	1,097,344
Deferred tax assets	**100,883**	84,487
Available-for-sale securities	**954**	882
Capital financing	**35,250**	16,750
Trade receivables	**39,969**	36,645
Other assets	**4,102**	4,455
	5,669,811	5,407,165
Current		
Inventories	**551,603**	512,458
Capital financing	**316,063**	365,368
Contract assets	**276,919**	384,807
Trade receivables	**286,659**	394,241
Other assets	**115,120**	109,119
Biological assets	**145**	35
Tax recoverable	**47,308**	26,139
Derivative asset	**35,871**	30,718
Securities at fair value through profit or loss	**199**	204
Cash, bank balances and short term funds	**418,452**	455,699
	2,048,339	2,278,788
Non-current assets held for sale	**8,000**	5,100
	2,056,339	2,283,888
Total Assets	**7,726,150**	7,691,053

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016 (CONT'D)

	Note	**As at 31.12.2016 RM'000**	As at 31.12.2015 RM'000
Liabilities:			
Non-current			
Medium term notes	B8	**837,604**	746,837
Borrowings	B8	**773,027**	846,974
Deferred income		**159,099**	168,233
Trade payables		**34,915**	48,415
Other liabilities		**6,085**	2,121
Deferred tax liabilities		**156,916**	136,772
		1,967,646	1,949,352
Current			
Medium term notes	A5 (c)	**-**	-
Borrowings	B8	**620,263**	604,433
Deferred income		**5,057**	6,196
Contract liabilities		**99,881**	172,665
Trade payables		**167,943**	354,089
Tax payable		**6,854**	20,475
Other liabilities		**415,616**	276,149
		1,315,614	1,434,007
Total Liabilities		**3,283,260**	3,383,359
Net Assets		**4,442,890**	4,307,694
Equity:			
Share capital		**1,402,891**	1,402,891
Treasury shares, at cost	A5(a)	**(30,237)**	(30,234)
		1,372,654	1,372,657
Reserves		**2,927,856**	2,721,375
Issued capital and reserves attributable to Owners of the Company		**4,300,510**	4,094,032
Non-controlling interests		**142,380**	213,662
Total Equity		**4,442,890**	4,307,694
Net Assets per share attributable to Owners of the Company (RM)		**3.11**	2.96

(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)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	**Current quarter ended 31.12.2016 RM'000**	Comparative quarter ended 31.12.2015 RM'000	**Current year to date ended 31.12.2016 RM'000**	Preceding year to date ended 31.12.2015 RM'000
Revenue		**376,683**	455,321	**1,305,671**	757,484
Cost of sales		**(267,729)**	(318,940)	**(904,777)**	(513,787)
Gross profit		**108,954**	136,381	**400,894**	243,697
Other income		**75,414**	23,352	**98,687**	37,609
Negative goodwill arising from acquisitions of:					
- subsidiary companies		**-**	-	**-**	363,163
- additional interest in an associated company		**-**	12,089	**-**	12,089
Administrative expenses		**(54,603)**	(62,816)	**(227,533)**	(123,889)
Other expenses		**(12,265)**	(9,728)	**(21,512)**	(22,777)
		117,500	99,278	**250,536**	509,892
Finance costs		**(21,643)**	(18,484)	**(77,681)**	(26,865)
		95,857	80,794	**172,855**	483,027
Share of results of associated companies and a joint venture		**21,549**	22,787	**148,558**	121,695
Profit before tax		**117,406**	103,581	**321,413**	604,722
Tax expense		**(37,146)**	(18,543)	**(69,385)**	(34,920)
Profit after tax		**80,260**	85,038	**252,028**	569,802
Profit/(loss) attributable to:					
Owners of the Company		**79,113**	85,473	**247,273**	561,528
Non-controlling interests		**1,147**	(435)	**4,755**	8,274
		80,260	85,038	**252,028**	569,802
Earnings per share attributable to Owners of the Company (sen)					
Basic	B11(a)	**5.71**	6.17	**17.86**	49.81
Diluted	B11(b)	**5.71**	6.17	**17.86**	49.81

(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)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Current quarter ended 31.12.2016 RM'000	Comparative quarter ended 31.12.2015 RM'000	**Current year to date ended 31.12.2016 RM'000**	Preceding year to date ended 31.12.2015 RM'000
Profit after tax	**80,260**	85,038	**252,028**	569,802
Other Comprehensive Income/(Loss) for the period, net of tax				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation	**11,466**	762	**16,346**	41,043
Fair value gain/(loss) on:				
- Cash flow hedge	**61**	922	**(637)**	**922**
- Available-for-sale securities	**-**	-	**72**	**-**
Reclassification of foreign exchange reserves to profit of loss on disposal of foreign subsidiary companies	**2,621**	-	**2,621**	-
Share of other comprehensive income/(loss) and reserves of an associated company:				
- Foreign exchange reserves	**24,028**	32,697	**14,474**	55,245
- Other reserves	**(40,086)**	(13,377)	**(5,297)**	(6,391)
Total Other Comprehensive Income/(Loss) for the period, net of tax	**(1,910)**	21,004	**27,579**	90,819
Total Comprehensive Income	**78,350**	106,042	**279,607**	660,621
Total Comprehensive Income attributable to:				
Owners of the Company	**75,068**	106,016	**271,433**	625,834
Non-controlling interests	**3,282**	26	**8,174**	34,787
	78,350	106,042	**279,607**	660,621

(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)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Attributable to Owners of the Company											
	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	Non-controlling interests	Total equity
	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	-	-	-	-	-	-	-	-	247,273	247,273	4,755	252,028
Other comprehensive income/(loss)	-	-	-	64	-	29,964	(571)	(5,297)	-	24,160	3,419	27,579
Total Comprehensive Income/(Loss)	**-**	**-**	**-**	**64**	**-**	**29,964**	**(571)**	**(5,297)**	**247,273**	**271,433**	**8,174**	**279,607**
Dividends paid to:												
- Owners of the Company	-	-	-	-	-	-	-	-	(69,240)	(69,240)	-	(69,240)
- Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,205)	(3,205)
Share buybacks by the Company (NoteA5(a))	-	(3)	-	-	-	-	-	-	-	(3)	-	(3)
Acquisitions of additional interests in subsidiary companies from non-controlling interests:												
- Accretion of equity interests	-	-	-	-	-	-	-	-	-	-	(88,703)	(88,703)
- Gain on acquisitions	-	-	-	-	-	-	-	-	32,668	32,668	-	32,668
Exercise 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 company	-	-	-	-	-	-	-	-	(16,304)	(16,304)	-	(16,304)
Effects of accretion of equity interest via preference shares capital reduction in a subsidiary company	-	-	-	-	-	(1,002)	-	-	(10,532)	(11,534)	11,534	-
Dilution of interests in a subsidiary company of an associated company	-	-	-	-	-	-	-	-	(34)	(34)	-	(34)
Shares issued pursuant to exercise of Warrant C 2015/2020 (Note A5(b))*	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with Owners and changes in ownership interests	-	(3)	-	-	-	(1,002)	-	-	(63,950)	(64,955)	(79,456)	(144,411)
As at 31.12.2016	**1,402,891**	**(30,237)**	**336,481**	**64**	**76,321**	**125,095**	**253**	**(15,752)**	**2,405,394**	**4,300,510**	**142,380**	**4,442,890**

* 80 units ordinary shares issued.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	Attributable to Owners of the Company										
	Share capital	Treasury shares	Share premium	Revaluation reserve	Foreign exchange reserves	Hedging reserves	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1.1.2015	969,058	(30,232)	-	76,321	26,260	-	(4,064)	1,670,648	2,707,991	-	2,707,991
Profit after tax	-	-	-	-	-	-	-	561,528	561,528	8,274	569,802
Other comprehensive income/(loss)	-	-	-	-	69,873	824	(6,391)	-	64,306	26,513	90,819
Total Comprehensive Income/(Loss)	-	-	-	-	69,873	824	(6,391)	561,528	625,834	34,787	660,621
Dividends paid to Owners of the Company	-	-	-	-	-	-	-	(224,815)	(224,815)	-	(224,815)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(2,786)	(2,786)	(135)	(2,921)
Share buybacks by the Company	-	(2)	-	-	-	-	-	-	(2)	-	(2)
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	-	-	-	-	-	-	-	-	-	66,982	66,982
Acquisitions of additional interests in subsidiary companies from non-controlling interests:											
- Shares issued	141,505	-	85,315	-	-	-	-	-	226,820	-	226,820
- Accretion of equity interests	-	-	-	-	-	-	-	-	-	(889,777)	(889,777)
- Gain on acquisitions	-	-	-	-	-	-	-	292,542	292,542	-	292,542
Shares issuance expenses	-	-	(236)	-	-	-	-	-	(236)	-	(236)
Effects of acquisitions of warrants in subsidiary companies	-	-	-	-	-	-	-	(75,047)	(75,047)	-	(75,047)
Dilution of interests in a subsidiary company of an associated company	-	-	-	-	-	-	-	1	1	-	1
Total transactions with Owners and changes in ownership interests	433,833	(2)	336,481	-	-	-	-	(10,105)	760,207	178,875	939,082
As at 31.12.2015	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

(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)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Current year to date ended 31.12.2016 RM'000	Preceding year to date ended 31.12.2015 RM'000
Cash Flows From Operating Activities			
Profit before tax		**321,413**	604,722
Adjustments for:			
Non-cash and non-operating items		**18,150**	(368,598)
Share of results of associated companies and a joint venture		**(148,558)**	(121,695)
Operating profit before working capital changes		**191,005**	114,429
Decrease/(Increase) in operating assets:			
Inventories		**(55,852)**	(125,833)
Capital financing		**34,413**	10,133
Contract assets		**107,931**	(23,938)
Trade receivables		**109,941**	(61,267)
Other receivables		**(5,543)**	(84,712)
Increase/(Decrease) in operating liabilities:			
Deferred income		**(10,271)**	(3,978)
Contract liabilities		**(60,583)**	(32,443)
Trade payables		**(199,486)**	112,589
Other liabilities		**131,199**	133,574
Cash generated from operations		**242,754**	38,554
Interest received		**46,966**	38,297
Interest paid		**(37,608)**	(29,659)
Income tax paid		**(106,054)**	(67,806)
Refund of income tax		**5,686**	2,541
Net cash generated from/(used in) operating activities		**151,744**	(18,073)
Cash Flows From Investing Activities			
Acquisition of additional:			
- shares in associated company and a joint venture		**-**	(261,775)
- shares in subsidiary companies from non-controlling interests	A8 (f)	**(56,035)**	(370,415)
- warrants in subsidiary companies		**(16,304)**	(75,047)
(Advance to)/repayment from an associated company		**(2,452)**	1,761
Cash inflow from acquisitions of subsidiary companies		**-**	292,339
Dividends received		**57,733**	267
Expenditure incurred on investment properties		**(53,054)**	(19,025)
Fund distribution income received		**2,737**	1,052
Interest received		**-**	67
Net cash outflow upon disposal of subsidiary companies		**(9)**	-
Proceeds from disposals of:			
- investment properties		**32,697**	-
- club membership		**4**	-
- plant and equipment		**495**	631
- securities at fair value through profit or loss		**-**	29,857
carried forward		**(34,188)**	(400,288)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	Note	**Current year to date ended 31.12.2016 RM'000**	Preceding year to date ended 31.12.2015 RM'000
Cash Flows From Investing Activities (Cont'd)			
brought forward		**(34,188)**	(400,288)
Purchase of:			
- club membership		**(216)**	-
- software licenses		**(216)**	(305)
- property, plant and equipment		**(21,240)**	(23,072)
- trademarks		**(1)**	-
Share buybacks by the Company	A5 (a)	**(3)**	(2)
Shares issuance expenses		**-**	(236)
Net cash used in investing activities		**(55,864)**	(423,903)
Cash Flows From Financing Activities			
Dividend paid to:			
- Owners of the Company		**(69,240)**	(224,815)
- non-controlling interests		**(3,205)**	(2,921)
Drawdown of loans		**154,679**	329,896
Expenses incurred on borrowings and medium term notes		**(83)**	(5,823)
Interest paid		**(77,681)**	(25,684)
Proceeds from:			
- exercise of warrants of subsidiary companies		**410**	-
- issuance of medium term notes	A5 (c)	**190,113**	750,000
(Repayment)/drawdown of revolving credits - net		**(217,687)**	94,327
Repayment of loans		**(6,250)**	(78,267)
Redemption of medium term notes	A5 (c)	**(100,000)**	-
Net cash (used in)/generated from financing activities		**(128,944)**	836,713
Net (decrease)/increase in Cash and Cash Equivalents		**(33,064)**	394,737
Effects of exchange rate changes		**(122)**	747
Cash and Cash Equivalents at beginning of period		**451,582**	56,098
Cash and Cash Equivalents at end of period		**418,396**	451,582
Cash and Cash Equivalents comprised:			
Cash, bank balances and short term funds		**418,452**	455,699
Bank overdrafts		**(56)**	(4,117)
		418,396	451,582

(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 FOURTH QUARTER ENDED 31 DECEMBER 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 – 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.

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) <u>For financial year beginning on/after 1 January 2017</u>

(i) 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.

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)

(ii) 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.

(iii) Annual Improvements to MFRS Standards 2014-2016 Cycle covers minor amendments to MFRS 12 'Disclosure of Interests in Other Entities'. The amendment of MFRS 12 aim to clarify the disclosures requirement of MFRS 12 are applicable to interest in entities classified as held for sale except the summarised financial information.

(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.

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.

(iii) Annual Improvements to MFRS Standards 2014-2016 Cycle covers minor amendments to MFRS 1 'First-time Adoption of Malaysian Financial Reporting Standards' and MFRS 128 'Investments in Associates and Joint Ventures'.

MFRS 1 has been amended to remove short-term exemptions covering transition provision of MFRS 7 'Financial Instruments: Disclosures', MFRS 119 'Employee Benefits' and MFRS 10 'Consolidated Financial Statements'. These transition provisions were available to entities for passed reporting periods and are therefore no longer applicable.

MFRS 128 has been amended to clarify a venture capital organisations, mutual funds, unit trusts and similar entities may elect to measure their investments in associates or joint ventures at fair value or using the equity method. An entity shall make this election separately for each associate or joint venture, at initial recognition.

(iv) Amendments to MFRS 140 'Investment Property' clarify an entity shall transfer a property to, or from, investment property when there is change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management’s intentions for the use of a property does not provide evidence of a change in use. An entity must, therefore, have taken observable actions to support such a change.

(v) IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The IC Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income and on the derecognition of a non-monetary asset or nonmonetary liability arising from the payment or receipt of advance consideration in a foreign currency.

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, unless the underlying asset is of low value. For lessors, MFRS16 requires enhanced disclosure on the information about their risk exposure.

A2. Seasonality or cyclicality 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 2,000 ordinary shares for a total cash consideration of RM3,157 from the open market at an average cost of RM1.58 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
Purchased in December 2016	1,000	1.48	1.48	1.52	1,522
	2,000	1.59	1.48	1.58	3,157
As at 31 December 2016	18,100,253	2.82	0.90	1.67	30,237,575

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

(b) 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. 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.

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

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

(c) 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 will give the Company the flexibility to raise funds via the issuance of MTNs of up to RM990.00 million in nominal value, 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.

On 17 November 2016 and 1 December 2016, the Company further issued MTNs of RM100.00 million and RM90.11 million for working capital purposes respectively. The MTNs were issued in 10 tranches with maturities commencing from 2018 to 2022. The MTNs are redeemable every 6 months commencing 30 months after the first issuance date. The unutilised balance sum of RM9.89 million, in respect of the first issuance, from the Disbursement Account had been withdrawn. Arising thereof, the Company received RM200 million for working capital. The terms of the MTN Programme remained unchanged.

On 30 November 2016, the Company redeemed RM100 million from the MTN that was issued on 15 October 2015 by using internal generated fund.

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.

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

(c) Medium Term Note Programme for the issuance of medium term notes of up to RM990.00 million in nominal value ("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. As at 31 December 2016, the DSRA balance was RM3.7 million (2015: RM3.1 million).

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.

As at 31 December 2016, the total outstanding MTN is RM840.00 million.

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

The dividends paid by the Company are as follows:

		RM'000
(i)	A single-tier final dividend of 2.5 sen per ordinary share in respect of the preceding year ended 31 December 2015 was paid on 11 May 2016	34,620
(ii)	A single-tier interim dividend of 2.5 sen per ordinary share for the current year ended 31 December 2016 was paid on 31 October 2016	34,620
		69,240

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 power 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 vacation timeshare membership scheme.

(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 arms-length, at terms mutually agreed between the segments and have been eliminated to arrive at the Group's results. Revenue of approximately RM10.2 million (2015: RM11.8 million) is derived from a single customer, which is attributable to the Property Investment Segment.

Basis of segmentation and related measurement of segment revenue, results, total assets and liabilities have no material change, other than certain comparative figures were reclassified to conform with current year's presentation, from the amounts disclosed in the audited financial statements of the Group for the year ended 31 December 2015.

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	Consolidated
Current year to date ended 31.12.2016						
Revenue						
Total revenue	**874,083**	**187,519**	**298,837**	**121,183**	**690,748**	**2,172,370**
Inter-segment revenue	**(49,260)**	**(173,797)**	**(557)**	**(466)**	**(22,694)**	**(246,774)**
Dividends from subsidiary companies	**-**	**-**	**-**	**-**	**(562,245)**	**(562,245)**
Dividend from an associated company	**-**	**-**	**-**	**-**	**(57,680)**	**(57,680)**
Revenue from external parties	**824,823**	**13,722**	**298,280**	**120,717**	**48,129**	**1,305,671**
Results						
Segment profit/(loss)	**202,326**	**9,238**	**33,447**	**(23,444)**	**(42,844)**	**178,723**
Share of results of associated companies and a joint venture	**-**	**-**	**-**	**-**	**148,558**	**148,558**
	202,326	**9,238**	**33,447**	**(23,444)**	**105,714**	**327,281**
Inter-segments elimination	**(811)**	**(2,553)**	**(172)**	**1,200**	**(3,532)**	**(5,868)**
Profit/(loss) before tax	**201,515**	**6,685**	**33,275**	**(22,244)**	**102,182**	**321,413**
Tax expense						**(69,385)**
Profit after tax						**252,028**
Preceding year to date ended 31.12.2015						
Revenue						
Total revenue	542,474	81,626	114,298	54,042	130,652	923,092
Inter-segment revenue	(4,934)	(69,065)	(515)	(206)	(19,367)	(94,087)
Dividend from subsidiary companies	-	-	-	-	(56,173)	(56,173)
Dividend from an associated company	-	-	-	-	(15,348)	(15,348)
Revenue from external parties	537,540	12,561	113,783	53,836	39,764	757,484
Results						
Segment profit	93,698	6,551	9,878	7,601	367,386	485,114
Share of results of associated companies and a joint venture	-	-	-	-	121,695	121,695
	93,698	6,551	9,878	7,601	489,081	606,809
Inter-segments elimination	(1,947)	(394)	(143)	518	(121)	(2,087)
Profit before tax	91,751	6,157	9,735	8,119	488,960	604,722
Tax expense						(34,920)
Profit after tax						569,802

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	Consolidated RM'000
Current year to date ended 31.12.2016				
Revenue	**1,272,749**	**3,652**	**29,270**	**1,305,671**
Profit/(Loss) before tax	**325,722**	**(4,575)**	**266**	**321,413**
Preceding year to date ended 31.12.2015				
Revenue	740,042	1,548	15,894	757,484
Profit/(Loss) before tax	607,501	(1,404)	(1,375)	604,722

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. There is no material financial effect to the Group.

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

PJIPL, 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 PJIPL has been struck off from the register under the Singapore Companies Act (Chapter 50). There is no material financial effect to the Group.

(c) Distribution and capital repayment of RHB Capital Berhad (“RHBC”) 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 (“RHBB”) 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 (“Act”) (“Winding Up”). In this regard, the Winding Up of RHB Capital has commenced on even date. The Winding Up of RHBC do 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.

On 10 August 2016, PJDCI Co., Ltd., a direct subsidiary company of PJDC International Sdn. Bhd. ("PJDCISB"), which is an indirectly owned 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 effective equity interest in PJDCI Co., Ltd. increased to 88.38% from 70.13% .

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

(e) Disposal of PJDCI Co., Ltd and PJDC Co., Ltd.

On 30 November 2016, PJDCISB disposed entire shareholdings in PJDCI Co., Ltd. and PJDC Co., Ltd., both subsidiary companies of PJDCISB, for a total cash consideration of THB200.00.

(f) Acquisitions of additional equity interests from non-controlling interests in PJDH

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 up to the closing date on 21 November 2016, the following ordinary shares and warrants were acquired by the Company via open market and acceptance of offer:

	Open Market	Acceptance of Offer	Total
Shares:			
Number of ordinary shares	17,341,200	17,274,809	34,616,009
Average price per share (RM)	1.50	1.50	1.50
Total purchase price (RM)	26,011,800	25,912,213	51,924,013
Warrants:			
Number of warrants	20,027,100	10,253,372	30,280,472
Average price per warrant (RM)	0.50	0.50	0.50
Total purchase price (RM)	10,013,550	5,126,686	15,140,236

Arising from the above acquisitions, the Company's effective interest in shares and warrants of PJDH increased from 89.36% to 95.90% and from 67.58% to 89.23% respectively.

In accordance with Paragraph 16.02(3) and Paragraph 16.07 of the Listing Requirements, on 13 December 2016, the securities of PJDH were withdrawn from the Official List of Bursa Securities.

Subsequent to the Voluntary Take-Over Offer exercise, pursuant to the Notice to Holder Who Has Not Accepted the Offer dated 4 October 2016, during the period from 22 November 2016 to 31 December 2016, the Company further acquired the ordinary shares and warrants of PJDH as follow:

	Shares	Warrants
Number of ordinary shares	2,740,359	1,935,126
Average price per share (RM)	1.50	0.50
Total purchase price (RM)	4,110,539	967,563

As at 31 December 2016, the Company's effective interest in shares and warrants of PJDH increased to 96.42% from 95.90% and from 89.23% to 90.60% respectively.

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

(f) Acquisitions of additional equity interests from non-controlling interests in PJDH (Cont'd)

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	(88,703)
Gains on consolidation recognised in equity	32,668
Cash outflow on acquisitions of additional equity interest in subsidiary company	(56,035)

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

Acquisition of additional equity interest in PJDH after 31 December 2016

From 1 January 2017 to 21 February 2017, pursuant to the Notice mentioned in A8 (e), the following ordinary shares and warrants were acquired:

	Shares	Warrants
Number of ordinary shares	1,625,020	1,162,075
Average price per share (RM)	1.50	0.50
Total purchase price (RM)	2,437,530	581,038

Arising form the above acquisitions, the Company's effective interest in shares and warrants of PJDH increased from 96.42% to 96.73% and from 90.60% to 91.42% respectively as at 21 February 2017.

A10. Significant unrecognised contractual commitments

	As at 31.12.2016 RM'000	As at 31.12.2015 RM'000
Contracted but not provided for:		
- Acquisition of plant, equipment and software	**1,807**	2,929
- Acquisition of development land	**118,321**	8,535
- Construction of investment property	**24,670**	38,817
- Professional fee for corporate exercise	**200**	-
	144,998	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 31.12.2016 RM'000**
(a)	Significant transactions with associated companies:		
	Agile PJD Development Sdn Bhd	- Interest income	2,452
	RHB Investment Bank Berhad	- Office rental income	7,578
		- Interest income	321
	RHB Asset Management Sdn Bhd	- Office rental income	1,575
		- Fund distribution income	2,580
	RHB Bank Berhad	- Office rental income	786
		- Interest income	1,397
		- Interest expense	(41,989)
		- Commitment fee	(1,259)
	RHB Research Institute Sdn Bhd	- Office rental income	294
	Canggih Pesaka Sdn Bhd	- Office rental expense	(607)
(b)	Significant transactions with other related parties:		
	Dindings Construction Sdn Bhd	- Construction works	(15,260)
	DC Services Sdn Bhd	- Insurance premium expense	(1,639)
	Dindings Life Agency Sdn Bhd	- Insurance premium expense	(1,092)
	Dindings Risks Management Services Sdn Bhd	- Insurance premium expense	(451)
	Sincere Source Sdn. Bhd.	- Insurance premium expense	(823)
	Willowglen (M) Sdn Bhd	- Upkeep and maintenance expenses	(1,451)

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 31.12.2016				
Non financial assets				
Investment properties	**-**	**297,873**	**351,907**	**649,780**
Financial assets				
Available-for-sale securities	**-**	**-**	**954**	**954**
Biological assets	**-**	**-**	**145**	**145**
Derivative asset	**-**	**35,871**	**-**	**35,871**
Securities at fair value through profit or loss	**199**	**-**	**-**	**199**
Cash, bank balances and short term funds	**418,452**	**-**	**-**	**418,452**
	418,651	**333,744**	**353,006**	**1,105,401**
As at 31.12.2015				
Non financial assets				
Investment properties	-	225,261	345,081	570,342
Financial assets				
Available-for-sale securities	-	-	882	882
Biological assets	-	-	35	35
Derivative asset	-	30,718	-	30,718
Securities at fair value through profit or loss	204	-	-	204
Cash, bank balances and short term funds	455,699	-	-	455,699
	455,903	255,979	345,998	1,057,880

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 31.12.2016 **Type of Derivative**	**Contract / Notional RM'000**	**Carrying Amount at Fair Value RM'000**	**Cash Flow Hedge Reserve RM'000**
Cross currency interest rate swap contract			
- 1 year to 3 years	**99,360**	**35,871**	**(637)**

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.

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

B1. Performance analysis of the Group for the current quarter and current year ended 31 December 2016

The Group's overall financial performance are analysed as below:

	Immediate preceding quarter ended 30.9.2016 RM'000	**Current quarter ended 31.12.2016 RM'000**	Comparative quarter ended 31.12.2015 RM'000	**Current year to date ended 31.12.2016 RM'000**	Preceding year to date ended 31.12.2015 RM'000
Revenue	271,174	**376,683**	455,321	**1,305,671**	757,484
Pre-tax profit from the businesses	18,893	**95,857**	80,794	**172,855**	483,027
Share of results of associated companies and a joint venture	45,492	**21,549**	22,787	**148,558**	121,695
Pre-tax profit	64,385	**117,406**	103,581	**321,413**	604,722
Negative goodwill arising from acquisitions of:					
- subsidiary companies	-	-	-	-	(363,163)
- additional interest in an associated company	-	-	(12,089)	-	(12,089)
Pre-tax profit before negative goodwill	64,385	**117,406**	91,492	**321,413**	229,470

Current Year Ended 31 December 2016 ("FY16") compared with Preceding Year Ended 31 December 2015 ("FY15")

The Group registered total revenue of RM1,305.67 million for FY16, increased by RM548.19 million or 72%, compared with RM757.48 million in FY15. 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 Group's pre-tax profit for FY16 of RM321.41 million was RM91.94 million or 40% higher than FY15 of RM229.47 million, excluding gains of RM375.25 million arising from negative goodwill of RM363.16 million from the acquisitions of OSKPH and PJDH and RM12.09 million from the subscription of rights issue in RHB. The improvement in earnings was primarily attributable to higher contribution by Financial Services and Investment Holding Segment; and earnings generated by OSKPH and PJDH groups for twelve months in FY16 versus five months in FY15, partly offset by interest expenses incurred for the acquisitions of OSKPH and PJDH.

B1. Performance analysis of the Group for the current quarter and current year ended 31 December 2016 (Cont'd)

Current Year Ended 31 December 2016 ("FY16") compared with Preceding Year Ended 31 December 2015 ("FY15") (Cont'd)

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

Business Segments (RM'000)	Immediate preceding quarter ended 30.9.2016	**Current quarter ended 31.12.2016**	Comparative quarter ended 31.12.2015	**Current year to date ended 31.12.2016**	Preceding year to date ended 31.12.2015
Property Development	*16,973*	*48,515*	*45,216*	*122,571*	*73,017*
Property Investment and Management	*8,186*	*60,909*	*8,284*	*78,944*	*18,734*
1. Property	25,159	**109,424**	53,500	**201,515**	91,751
2. Construction	*321*	***2,403***	*3,590*	***6,685***	6,157
3. Industries	8,173	**5,920**	4,178	**33,275**	9,735
Hotels and Resorts	*890*	*(9,387)*	*1,217*	*(16,349)*	*3,319*
Vacation Club	*(1,419)*	*(4,061)*	*6,213*	*(5,895)*	*4,800*
4. Hospitality	(529)	**(13,448)**	7,430	**(22,244)**	8,119
Capital Financing	*6,253*	*7,982*	*4,692*	*28,573*	*14,655*
Investment Holding	*25,008*	5,125	*30,191*	*73,609*	*474,305*
5. Financial Services and Investment Holding	31,261	**13,107**	34,883	**102,182**	488,960
Pre-tax profit	64,385	**117,406**	103,581	**321,413**	604,722

The Group's business operations are divided into five key business segments, namely Property, Construction, Industries, Hospitality, and Financial Services and Investment Holding Segments. The following performance analysis of the Group is made up of contributions by OSKPH and PJDH for twelve months in FY16 and five months in FY15.

The Property Segment registered revenue of RM824.82 million and pre-tax profit of RM201.52 million in FY16 as compared to revenue of RM537.54 million and pre-tax profit of RM91.75 million in FY15, representing an increase of RM287.28 million or 53% in revenue and RM109.77 million or 120% in pre-tax profit. The FY16 revenue and pre-tax profit saw a positive contribution from the property development projects undertaken by the Group and income from investment properties such as Plaza OSK and Atria Shopping Gallery. In addition, the Group recorded gain of RM6.00 million from disposals of certain non-core investment properties in FY16; and fair valuation gain on investment properties of RM55.98 million in FY16 versus RM3.00 million in FY15.

The Construction Segment registered revenue of RM13.72 million and pre-tax profit of RM6.69 million in FY16 as compared to revenue of RM12.56 million and pre-tax profit of RM6.16 million in FY15, representing an increase of RM1.16 million or 9% in revenue and RM0.53 million or 9% in pre-tax profit. Including the Group's property development projects, this segment recorded an operating pre-tax profits of RM9.24 million in FY16 versus RM6.55 million in FY15, such profits were mainly generated from the construction work of Emira, TimurBay and Windmill Upon Hills and completion of You One and You Vista during the financial year.

The Industries Segment which comprises the Cables and IBS Divisions, registered revenue of RM298.28 million and pre-tax profits of RM33.28 million in FY16 as compared to revenue of RM113.78 million and pre-tax profit of RM9.74 million in FY15, representing an increase of RM184.50 million or 162% in revenue and RM23.54 million or 242% 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 FY16. The IBS Division performed satisfactorily despite the softening property market in Singapore and Malaysia.

B1. Performance analysis of the Group for the current quarter and current year ended 31 December 2016 (Cont'd)

Current Year Ended 31 December 2016 ("FY16") compared with Preceding Year Ended 31 December 2015 ("FY15") (Cont'd)

The Hospitality Segment registered revenue of RM120.72 million and pre-tax loss of RM22.24 million in FY16 as compared to revenue of RM53.84 million and pre-tax profit of RM8.12 million in FY15, representing an increase of RM66.88 million or 124% in revenue and a decrease of RM30.36 million or 374% in pre-tax profit respectively. The pre-tax loss was mainly due to low occupancy rates at some of the hotels and operating costs incurred in newly-opened Swiss-Inn Johor Bahru which commenced its operations in early 2016 and still in its gestation period. In addition, the Segment has also provided for an impairment on costs of development of RM10.44 million in respect of infrastructure in Swiss-Garden Beach Resort Damai Laut in FY16.

The Capital Financing Division recorded revenue of RM44.12 million and pre-tax profit of RM28.57 million in FY16 as compared to revenue of RM38.61 million and pre-tax profit of RM14.66 million in FY15, representing an increase of RM5.51 million or 14% in revenue and RM13.91 million or 95% in pre-tax profit respectively. The increase in pre-tax profit was contributed by higher fee and interest income due to higher loan disbursements and lower operating costs incurred in FY16. In addition, the division wrote back an allowance for doubtful debts of RM3.64 million in FY16 as compared to allowance for doubtful debts of RM2.78 million made in FY15.

The Investment Holding Division contributed pre-tax profit of RM73.61 million in FY16 compared with RM474.31 million in FY15 which included RM363.16 million gains on negative goodwill arising from the acquisitions of OSKPH and PJDH and RM12.09 million of gain from subscription of rights issue in RHB. Without the one-off gains of RM375.25 million in FY15, the reduction in pre-tax profit of RM25.45 million from RM99.06 million in FY15 was due to increase in finance costs which was partly mitigated by the higher share of profit of RHB group of RM149.59 million during the year as compared to RM125.62 million in FY15.

Current Quarter ("4Q16") compared with Comparative Quarter of Preceding Year ("4Q15")

The Group registered revenue of RM376.68 million in 4Q16, decreased by RM78.64 million or 17% as compared with RM455.32 million in 4Q15. The pre-tax profit for 4Q16 of RM117.40 million was RM13.82 million or 13% higher than 4Q15 pre-tax profit of RM103.58 million which mainly due to higher profits generated from Property and Industries Segments; and Capital Financing Division; and partially offsetted by lower profit contributed by Investment Holdings Divisions, Construction and Hospitality Segments.

The Property Development Division registered revenue of RM245.92 million and pre-tax profit of RM48.52 million in 4Q16 as compared to revenue of RM325.90 million and pre-tax profit of RM45.22 million in 4Q15. Despite lower revenue generated, the pre-tax profit showed an improvement due to recognition of additional profits from completion and finalisation of certain projects accounts during the quarter which offsetted with additional operation costs incurred in other projects.

The Property Investment and Management Division registered revenue of RM11.39 million and pre-tax profit of RM60.91 million as compared to revenue of RM12.50 million and pre-tax profit of RM8.28 million in 4Q15. The significant improvement in performance was mainly attributed to the gain on fair valuation of investment properties of RM55.98 million in 4Q16 versus RM3.00 million in 4Q15. Excluding the fair value gain, the contribution from this Division remained fairly consistent.

The Construction Segment registered revenue of RM6.58 million in 4Q16 as compared to RM10.11 million in 4Q15 and pre-tax profit of RM2.40 million in 4Q16 as compared to RM3.59 million in 4Q15 mainly due to lower progress billings from the on-going projects which are still at its early stages of completion.

B1. Performance analysis of the Group for the current quarter and current year ended 31 December 2016 (Cont'd)

Current Quarter ("4Q16") compared with Comparative Quarter of Preceding Year ("4Q15") (Cont'd)

The Industries Segment registered revenue of RM69.70 million and pre-tax profit of RM5.92 million in 4Q16 as compared to revenue of RM64.71 million and pre-tax profit of RM4.18 million in 4Q15. The better performance was due to higher demand for our cable products from the property, infrastructure and power supply sectors and the performance of the IBS Division remained consistent.

The Hospitality Segment registered revenue of RM31.24 million and pre-tax loss of RM13.45 million in 4Q16 as compared to revenue RM32.02 million and pre-tax profit of RM7.43 million in 4Q15. The pre-tax loss was mainly due to impairment of RM10.44 million made on the infrastructure development costs incurred under Hotels and Resorts Division. In addition, the Vacation Club Division recorded a pre-tax loss of RM4.06 million in 4Q16 compared to pre-tax profit of RM6.21 million in 4Q15 due to the on-going exercise to terminate members who have defaulted on the payment of membership or annual maintenance fees and accruals made for cost of international exchange programme.

The Capital Financing Division registered higher revenue of RM11.69 million in 4Q16 compared with RM9.59 million in 4Q15; and higher pre-tax profit of RM7.98 million in 4Q16 versus RM4.69 million in 4Q15. The Capital Financing Division achieved higher fee and interest income as a result of higher loan disbursement coupled with lower operating costs incurred and a write back of allowance for doubtful debts of RM0.94 million in 4Q16.

The Investment Holding Division contributed pre-tax profit of RM5.12 million in 4Q16 as compared to RM30.19 million which included of RM12.09 million for gain on negative goodwill arising from subscription of rights issue in RHB in 4Q15. Excluding the gain of RM12.09 million in 4Q15, the pre-tax profit for 4Q16 is lower by RM12.98 million or 72% due to higher finance costs incurred to fund the acquisitions of OSKPH and PJDH coupled with lower share of RHB group's profit of RM21.60 million in 4Q16 compared with RM25.29 million in 4Q15.

B2. Commentary for current quarter compared with immediate preceding quarter

Current quarter ("4Q16") and immediate preceding quarter ("3Q16")

The Group registered revenue of RM376.68 million for current quarter ("4Q16") as compared to RM271.17 million in the immediate preceding quarter ("3Q16") and pre-tax profit of RM117.40 million in 4Q16 compared with RM64.39 million in 3Q16.

The Property Segment recorded revenue of RM257.32 million and pre-tax profit of RM109.42 million in 4Q16 as compared to revenue of RM146.77 million and pre-tax profit of RM25.16 million in 3Q16. The revenue and pre-tax profit increased by RM110.55 million or 75% and RM84.26 million or 335% respectively due to higher sales and progress billing and gain on fair value adjustment on investment properties of RM55.98 million in 4Q16.

The Construction Segment registered revenue of RM6.58 million and pre-tax profit of RM2.40 million in 4Q16 as compared to revenue of RM2.87 million and pre-tax profit of RM0.32 million in 3Q16, representing an increase of RM3.71 million or 129% in revenue and RM2.08 million or 7.5 times in pre-tax profit. The higher pre-tax profit was mainly due to profit recognised from its on-going projects with higher margin and finalisation of account for an external project.

The Industries Segment recorded revenue of RM69.70 million and pre-tax profit of RM5.92 million in 4Q16 as compared to revenue of RM77.41 million and pre-tax profit of RM8.17 million in 3Q16. The lower revenue and pre-tax profit in 4Q16 of RM7.71 million or 10% and RM2.25 million or 28% respectively mainly due to lower demand in Malaysia and Vietnam for our cable products and IBS products from the Singapore. In addition, an allowance for doubtful debts of RM0.40 million were made in 4Q16.

The Hospitality Segment recorded revenue of RM31.24 million and pre-tax loss of RM13.45 million in 4Q16 as compared to revenue of RM31.32 million and pre-tax loss of RM0.53 million in 3Q16. Despite the slight increase in revenue by RM0.08 million or 1% in 4Q16, the pre-tax loss was higher than 3Q16 by RM12.92 million or 25 times mainly due to impairment made for infrastructure development costs of RM10.44 million and the termination of membership for Vacation Club coupled with accruals made for cost of international exchange programme.

The Capital Financing Division recorded revenue of RM11.69 million and pre-tax profit of RM7.98 million in 4Q16 as compared to revenue of RM11.22 million and pre-tax profit of RM6.25 million in 3Q16. The higher revenue and pre-tax profit were mainly derived from higher fees and interest income earned and a write back of allowance for doubtful debts of RM0.94 million in 4Q16.

The Investment Holding Division contributed pre-tax profit of RM5.12 million in 4Q16, decreased by RM19.89 million or 80%, compared with RM25.01 million in 3Q16. The reduction in pre-tax profit was mainly due to the lower share of profit of RHB group.

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

(a) Prospects for Year 2017

The Malaysian economy is expected to expand 4.3% in year 2017 from 4.2% in year 2016.

The Property Development Segment will continue to be supported by the launched projects. However, the Board does not expect any significant pent-up in demand 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 will contribute positively to the Group's results from the orders secured. Our order book stood at RM657 million as at 31 December 2016.

The Industries Segment is anticipated to perform satisfactorily in year 2017 as it continues to tap on projects undertaken by the government and private sectors.

The Hospitality Segment has enhanced its sales and marketing activities and level of services at the respective properties and look forward to improve its performance.

The Financial Services and Investment Holding Segment has witnessed increase demand for alternative financing by a broad spectrum of customers, in addition to the contribution from RHB group.

The Board is cautiously optimistic that the Group will continue to achieve satisfactory results for year 2017 taking into consideration the domestic and external challenges to the Malaysian economy.

(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.

B6. Tax expense

	Current quarter ended 31.12.2016 RM'000	Current year to date ended 31.12.2016 RM'000
In respect of the current year		
Malaysian income tax	(20,180)	(58,806)
Under provision in respect of prior years		
Malaysian income tax	(2,075)	(6,785)
Deferred taxation	(14,891)	(3,794)
Tax expense	(37,146)	(69,385)

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 31.12.2016	**Secured RM'000**	**Unsecured RM'000**	**Total RM'000**
Non-current			
Debts - Medium term notes			
- Ringgit Malaysia	837,604	-	**837,604**
Borrowings			
- Ringgit Malaysia	465,368	-	**465,368**
- Australian Dollar	202,725	-	**202,725**
- United States Dollar	104,934	-	**104,934**
	773,027	-	**773,027**
Current			
Debts - Medium term notes			
- Ringgit Malaysia	* -	-	-
Borrowings			
- Ringgit Malaysia	222,599	366,254	**588,853**
- United States Dollar	30,013	-	**30,013**
- Vietnamese Dong	-	1,397	**1,397**
	252,612	367,651	**620,263**
Total	1,863,243	367,651	**2,230,894**

* On 30 November 2016, the Company redeemed RM100 million of MTN that issued on 15 October 2015 by using internally generated fund.

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 (“BUCG”) 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 (“the Contract”).

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 (“the CIPAA”). 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. The Adjudication matter is now closed.

B9. Changes in material litigation (Cont'd)

(b) Arbitration between Atria Damansara Sdn Bhd ("Claimant" or "ADSB") v BUCG (M) Sdn Bhd ("Respondent" or "BUCG")

ADSB filed a revised Notice of Arbitration on 23 November 2016 and in a letter dated 2 December 2016 proposed 3 names for consideration as the sole arbitrator for the arbitration proceedings. BUCG rejected ADSB's proposed list of arbitrators. BUCG filed a Notice of Arbitration on 2 December 2016 and on 16 February 2017, BUCG's lawyer in turn wrote to us and proposed 4 names for consideration as the sole arbitrator for the arbitration proceedings. ADSB is considering BUCG's list of arbitrators.

(c) 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 (“the Purchasers”) between the year 2012 and 2013 for the purchase of housing units at the Bandar Puteri Jaya project in Sungai Petani. The purchase price stated in the Sale and Purchase Agreements with each of the Purchasers range from RM271,212 to RM385,022 for each housing unit.

On 3 May 2016, OSKPSB was served with a Writ and Statement of Claim by the Purchasers who had alleged inter-alia that the construction of their properties had defects and that part of their properties differed from the show house. Each of the Purchasers is claiming: (a) damages amounting to RM2.5 million against OSKPSB; (b) damages amounting to RM2.5 million against the Architect and (c) damages amounting to RM700,000 against MPSP.

The Architect and MPSP have each filed a Notice of Application to strike out the Purchasers’ case against them (Striking Out Application) and their Striking Out Application was allowed on 25 October 2016. The Purchasers appealed to the Court of Appeal against the High Court’s decision to strike out the Architect and MPSP.

At a separate case management on 22 November 2016, OSKPSB was informed that the Purchasers have filed a stay application on all proceedings including the Discovery Application pending the Purchasers’ appeal against the Architect and MPSP. OSKPSB is resisting the stay as there is no “special circumstances” that would merit such a stay. In the case management on 20 February 2017, the Purchasers' Counsel did not show up in court. The Court has fixed another case management on 30 March 2017 for the Purchasers to update the Court on the Stay Application and the Discovery Application.

During the case management at the Court of Appeal on 21 February 2017, the Purchasers' lawyer informed the Court that they have withdrawn the appeal against the Architect and MPSP.

B10. Dividends

The Company paid a single-tier interim dividend of 2.5 sen (2015: 2.5 sen) per share in 31 October 2016.

The Board of Directors recommends a single-tier final dividend of 5.0 sen (2015: 2.5 sen) per share for the financial year ended 31 December 2016. The proposed dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting. The entitlement date for the final dividend shall be determined by the Board of Directors.

Total dividend for the financial year ended 31 December 2016 is 7.5 sen per share including the proposed final dividend as mentioned above (2015: 20.0 sen including a single-tier special dividend of 15 sen per ordinary share).

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

	Current quarter ended 31.12.2016	Comparative quarter ended 31.12.2015	**Current year to date ended 31.12.2016**	Preceding year to date ended 31.12.2015
(a) Basic earnings per share				
Profit attributable to Owners of the Company (RM'000)	**79,113**	85,473	**247,273**	561,528
Weighted average number of ordinary shares in issue ('000 shares)	**1,384,791**	1,384,768	**1,384,792**	1,127,280
Basic EPS (sen)	**5.71**	6.17	**17.86**	49.81
(b) Diluted earnings per share				
Profit attributable to Owners of the Company (RM'000)	**79,113**	85,473	**247,273**	561,528
Weighted average number of ordinary shares in issue ('000 shares)	**1,384,791**	1,384,768	**1,384,792**	1,127,280
Effect of dilution from assumed exercise of Warrants C 2015/2020 ('000 shares)	- ^	- ^	- ^	- ^
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	**1,384,791**	1,384,768	**1,384,792**	1,127,280
Diluted EPS (sen)	**5.71**	6.17	**17.86**	49.81

^ 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. Audit report of preceding annual financial statements

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

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

Profit before tax is arrived at after crediting/(charging):	**Current quarter ended 31.12.2016 RM'000**	Comparative quarter ended 31.12.2015 RM'000	**Current year to date ended 31.12.2016 RM'000**	Preceding year to date ended 31.12.2015 RM'000
(i) Revenue				
Interest income	7,690	8,074	34,834	32,918
Rental income	11,802	17,400	46,466	30,152
(ii) Cost of sales				
Interest expense	(3,254)	(3,486)	(11,774)	(12,105)
(iii) Other income				
Fund distribution income	1,954	271	2,737	1,052
Gain on disposals of:				
- investment properties	1,761	-	5,997	-
- plant and equipment	121	181	169	181
- securities at fair value through profit or loss	-	774	-	11,266
Gain on fair valuation of:				
- biological assets	-	35	110	35
- investment properties	55,984	3,000	55,984	3,000
Interest income on deposits and placements with financial institutions	3,471	3,277	12,133	4,467
Gain on foreign exchange transactions	-	-	3	-
Gain on foreign exchange translations	365	61	541	162
Recovery of bad debts	-	507	2	508
Write back of allowance for impairment losses on capital financing:				
- Collective assessment	-	-	-	40
- Individual assessment	935	474	3,637	-
Write back of allowance for impairment losses on trade receivables and other receivables:				
- Individual assessment	253	4,489	379	4,489
(iv) Administrative expenses				
Depreciation and amortisation	(6,039)	(3,071)	(24,441)	(9,839)

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

Profit before tax is arrived at after crediting/(charging):	Current quarter ended 31.12.2016 RM'000	Comparative quarter ended 31.12.2015 RM'000	Current year to date ended 31.12.2016 RM'000	Preceding year to date ended 31.12.2015 RM'000
(v) Other items of expense				
Impairment losses on:				
- capital financing:				
- Collective assessment	(32)	-	(32)	-
- Individual assessment	-	-	-	(2,785)
- infrastructure development costs	(10,436)	-	(10,436)	-
- trade and other receivables:				
- Individual assessment	(1,503)	(4,680)	(3,326)	(4,680)
Loss on disposals of:				
- investment in subsidiary companies	(2,589)	-	(2,589)	-
- plant and equipment	(5)	-	(78)	-
- securities at fair value through profit or loss	-	(695)	-	(695)
Loss on fair valuation of:				
- biological assets	(53)	-	-	-
- securities at fair value through profit or loss	-	(112)	(5)	(140)
Loss on foreign exchange transactions	(339)	(1,847)	(4)	(1,860)
Loss on foreign exchange translations	(218)	-	(218)	-
Reversal of gain on fair valuation of securities at fair value through profit or loss	-	-	-	(9,753)
Write off of:				
- bad debts	(569)	(122)	(466)	(122)
- intangible assets	(1)	-	(1)	-
- plant and equipment	(180)	(875)	(485)	(874)
(vi) Finance costs				
- Interest expense	(21,643)	(18,484)	(77,681)	(26,865)

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.

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 31.12.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits of the Company and its subsidiary companies		
- Realised	**2,236,760**	2,190,786
- Unrealised	**482,459**	410,641
	2,719,219	2,601,427
Total share of retained profits of associated companies and a joint venture		
- Realised	**637,712**	499,434
- Unrealised	**(2,909)**	1,104
	634,803	500,538
Less : Consolidation adjustments	**(948,628)**	(879,894)
Consolidated retained profits	**2,405,394**	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
24 February 2017