

**QUARTERLY REPORT FOR THE THIRD QUARTER 2017****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2017**

	As at <b>30.9.2017</b> RM'000	As at 31.12.2016 RM'000
<b>Assets:</b>		
<b>Non-current</b>		
Property, plant and equipment	772,516	778,257
Investment properties	656,332	649,780
Investments in associated companies and a joint venture	3,452,175	2,896,737
Intangible assets	1,883	2,156
Inventories	818,180	1,161,723
Deferred tax assets	87,618	100,883
Available-for-sale securities	-	954
Capital financing	121,175	35,250
Trade receivables	34,011	39,969
Other assets	3,987	4,102
	<b>5,947,877</b>	<b>5,669,811</b>
<b>Current</b>		
Inventories	547,960	551,603
Capital financing	327,908	316,063
Trade receivables	349,261	286,659
Contract assets	126,063	276,919
Other assets	105,361	115,120
Biological assets	299	145
Tax recoverable	67,417	47,308
Derivative asset	24,772	35,871
Securities at fair value through profit or loss	327	199
Cash, bank balances and short term funds	390,360	418,452
	<b>1,939,728</b>	<b>2,048,339</b>
Non-current assets held for sale	4,500	8,000
	<b>1,944,228</b>	<b>2,056,339</b>
<b>Total Assets</b>	<b>7,892,105</b>	<b>7,726,150</b>

**QUARTERLY REPORT FOR THE THIRD QUARTER 2017****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2017 (CONT'D)**

	Note	As at 30.9.2017 RM'000	As at 31.12.2016 RM'000
<b>Liabilities:</b>			
<b>Non-current</b>			
Medium term notes	A5(c), B8	824,064	837,604
Borrowings	B8	599,456	773,027
Deferred income		150,800	159,099
Trade payables		28,399	34,915
Other liabilities		8,209	6,085
Deferred tax liabilities		142,416	156,916
		<b>1,753,344</b>	<b>1,967,646</b>
<b>Current</b>			
Medium term notes	A5(c), B8	13,990	-
Borrowings	B8	827,073	620,263
Deferred income		6,026	5,057
Trade payables		229,256	167,943
Contract liabilities		99,732	99,881
Tax payable		7,944	6,854
Other liabilities		338,651	415,616
		<b>1,522,672</b>	<b>1,315,614</b>
<b>Total Liabilities</b>		<b>3,276,016</b>	<b>3,283,260</b>
<b>Net Assets</b>		<b>4,616,089</b>	<b>4,442,890</b>
<b>Equity:</b>			
Share capital		1,739,372	1,402,891
Treasury shares, at cost	A5(a)	(30,237)	(30,237)
		<b>1,709,135</b>	<b>1,372,654</b>
Reserves		2,835,105	2,927,856
		<b>4,544,240</b>	<b>4,300,510</b>
Issued capital and reserves attributable to Owners of the Company			
Non-controlling interests		71,849	142,380
		<b>4,616,089</b>	<b>4,442,890</b>
<b>Total Equity</b>		<b>4,616,089</b>	<b>4,442,890</b>
<b>Net Assets per share attributable to Owners of the Company (RM)</b>		<b>3.28</b>	<b>3.11</b>

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2016)

**QUARTERLY REPORT FOR THE THIRD QUARTER 2017**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

	Note	Current quarter ended 30.9.2017 RM'000	Comparative quarter ended 30.9.2016 RM'000	Current year to date ended 30.9.2017 RM'000	Preceding year to date ended 30.9.2016 RM'000
<b>Revenue</b>	A7	<b>314,453</b>	271,174	<b>891,842</b>	928,988
Cost of sales		<b>(232,125)</b>	(184,956)	<b>(652,893)</b>	(637,048)
Gross profit		<b>82,328</b>	86,218	<b>238,949</b>	291,940
Other income		<b>188,356</b>	11,680	<b>209,067</b>	23,786
Administrative expenses		<b>(51,247)</b>	(57,217)	<b>(148,096)</b>	(172,928)
Other expenses		<b>(2,522)</b>	(3,803)	<b>(5,786)</b>	(9,760)
		<b>216,915</b>	36,878	<b>294,134</b>	133,038
Finance costs		<b>(18,481)</b>	(17,985)	<b>(55,733)</b>	(56,038)
		<b>198,434</b>	18,893	<b>238,401</b>	77,000
Share of results of associated companies and a joint venture		<b>44,905</b>	45,492	<b>137,006</b>	127,009
<b>Profit before tax</b>	B13	<b>243,339</b>	64,385	<b>375,407</b>	204,009
Tax expense		<b>(11,664)</b>	(8,432)	<b>(32,418)</b>	(32,237)
<b>Profit after tax</b>		<b>231,675</b>	55,953	<b>342,989</b>	171,772
<b>Profit/(loss) attributable to:</b>					
Owners of the Company		<b>226,828</b>	56,298	<b>336,841</b>	168,165
Non-controlling interests		<b>4,847</b>	(345)	<b>6,148</b>	3,607
		<b>231,675</b>	55,953	<b>342,989</b>	171,772
<b>Earnings per share attributable to Owners of the Company (sen)</b>					
Basic	B11(a)	<b>16.38</b>	4.07	<b>24.32</b>	12.14
Diluted	B11(b)	<b>16.38</b>	4.07	<b>24.32</b>	12.14

(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 2016)

**QUARTERLY REPORT FOR THE THIRD QUARTER 2017**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

	<b>Current quarter ended 30.9.2017 RM'000</b>	Comparative quarter ended 30.9.2016 RM'000	<b>Current year to date ended 30.9.2017 RM'000</b>	Preceding year to date ended 30.9.2016 RM'000
<b>Profit after tax</b>	<b>231,675</b>	55,953	<b>342,989</b>	171,772
<b>Other Comprehensive (Loss)/Income for the period, net of tax</b>				
Items that may be reclassified subsequently to profit or loss:				
Fair value (loss)/gain on:				
- Cash flow hedge	(166)	(272)	(128)	(698)
- Available-for-sale securities	-	(1)	-	72
Foreign currency translation	<b>12,846</b>	15,062	<b>17,386</b>	4,880
Share of other comprehensive (loss)/income and reserves of associated companies:				
- Foreign exchange reserves	(12,292)	12,854	(20,725)	(9,554)
- Other reserves	<b>961</b>	8,866	<b>20,747</b>	34,789
Reclassification to profit or loss:				
Fair value of available-for-sale securities reclassified to profit or loss upon disposal	(88)	-	(88)	-
Foreign currency translation reclassified to profit or loss upon:				
- deemed disposal of a subsidiary company	(40,599)	-	(40,599)	-
- striking off of subsidiary companies	(1,743)	-	(1,743)	-
<b>Total Other Comprehensive (Loss)/Income for the period, net of tax</b>	<b>(41,081)</b>	36,509	<b>(25,150)</b>	29,489
<b>Total Comprehensive Income</b>	<b>190,594</b>	92,462	<b>317,839</b>	201,261
<b>Total Comprehensive Income attributable to:</b>				
Owners of the Company	<b>183,321</b>	88,033	<b>307,978</b>	196,369
Non-controlling interests	<b>7,273</b>	4,429	<b>9,861</b>	4,892
	<b>190,594</b>	92,462	<b>317,839</b>	201,261

(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 2016)

**QUARTERLY REPORT FOR THE THIRD QUARTER 2017**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

	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
<b>As at 1.1.2017</b>	<b>1,402,891</b>	<b>(30,237)</b>	<b>336,481</b>	<b>64</b>	<b>76,321</b>	<b>125,095</b>	<b>253</b>	<b>(15,752)</b>	<b>2,405,394</b>	<b>4,300,510</b>	<b>142,380</b>	<b>4,442,890</b>
Profit after tax	-	-	-	-	-	-	-	-	336,841	336,841	6,148	342,989
Other comprehensive (loss)/income	-	-	-	(64)	-	(49,421)	(125)	20,747	-	(28,863)	3,713	(25,150)
<b>Total Comprehensive (Loss)/Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(64)</b>	<b>-</b>	<b>(49,421)</b>	<b>(125)</b>	<b>20,747</b>	<b>336,841</b>	<b>307,978</b>	<b>9,861</b>	<b>317,839</b>
Dividends paid to:												
- Owners of the Company	-	-	-	-	-	-	-	-	(69,240)	(69,240)	-	(69,240)
- Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,190)	(1,190)
Acquisitions of additional interests in subsidiary companies from non-controlling interests:												
- Accretion of equity interests	-	-	-	-	-	-	-	-	-	-	(9,493)	(9,493)
- Gain on acquisitions	-	-	-	-	-	-	-	-	5,394	5,394	-	5,394
Exercise of warrants in subsidiary companies:												
- Shares issued by subsidiary companies	-	-	-	-	-	-	-	-	-	-	383	383
- Effects of dilution of interest in subsidiary companies	-	-	-	-	-	-	-	-	(222)	(222)	222	-
Effects of acquisitions of warrants in a subsidiary company	-	-	-	-	-	-	-	-	(749)	(749)	-	(749)
Share premium become part of share capital*	<b>336,481</b>	-	<b>(336,481)</b>	-	-	-	-	-	-	-	-	-
Effect of deemed disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(70,314)	(70,314)
Accretion of interests in a subsidiary company of an associated company	-	-	-	-	-	-	-	-	1	1	-	1
Total transactions with Owners and changes in ownership interests	<b>336,481</b>	<b>-</b>	<b>(336,481)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(64,816)</b>	<b>(64,816)</b>	<b>(80,392)</b>	<b>(145,208)</b>
Reversal of reserve upon disposal of investment properties	-	-	-	-	(10,798)	-	-	-	11,366	568	-	568
<b>As at 30.9.2017</b>	<b>1,739,372</b>	<b>(30,237)</b>	<b>-</b>	<b>-</b>	<b>65,523</b>	<b>75,674</b>	<b>128</b>	<b>4,995</b>	<b>2,688,785</b>	<b>4,544,240</b>	<b>71,849</b>	<b>4,616,089</b>

\* Upon the commencement of the Companies Act 2016 ("CA2016") on 31 January 2017, the amount standing to the credit of the Company's share premium becomes part of the Company's share capital pursuant to Section 618(2) of the CA2016. The Group may use the credit amount of the share premium within twenty-four months upon the commencement of section 74 of the CA2016. (Note A1)

**QUARTERLY REPORT FOR THE THIRD QUARTER 2017**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (CONT'D)**

	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
<b>As at 1.1.2016</b>	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
<b>Total Comprehensive Income/(Loss)</b>	-	-	-	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)
Share buybacks by the Company	-	(2)	-	-	-	-	-	-	-	(2)	-	(2)
Acquisitions of additional interests in a subsidiary company from non-controlling interests:												
- Accretion of equity interests	-	-	-	-	-	-	-	-	-	-	(37,604)	(37,604)
- Gain on acquisitions	-	-	-	-	-	-	-	-	13,955	13,955	-	13,955
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 subsidiary companies	-	-	-	-	-	-	-	-	(10,676)	(10,676)	-	(10,676)
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	-	-	-	-	-	-	-	-	(104)	(104)	-	(104)
Total transactions with Owners and changes in ownership interests	-	(2)	-	-	-	(1,002)	-	-	(42,485)	(43,489)	(28,356)	(71,845)
<b>As at 30.9.2016</b>	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

(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 2016)

**QUARTERLY REPORT FOR THE THIRD QUARTER 2017**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

	Note	Current year to date ended 30.9.2017 RM'000	Preceding year to date ended 30.9.2016 RM'000
<b>Cash Flows From Operating Activities</b>			
Profit before tax		375,407	204,009
Adjustments for:			
Non-cash and non-operating items		39,902	45,760
Gain on deemed disposal of a subsidiary company		(177,612)	-
Share of results of associated companies and a joint venture		(137,006)	(127,009)
Operating profit before working capital changes		<u>100,691</u>	122,760
<i>Decrease/(Increase) in operating assets:</i>			
Inventories		(204,458)	(10,497)
Capital financing		(92,046)	63,675
Trade receivables		(52,624)	113,603
Contract assets		150,856	121,650
Other receivables		8,568	30,976
<i>Increase/(Decrease) in operating liabilities:</i>			
Deferred income		(7,331)	(3,362)
Trade payables		60,608	(117,124)
Contract liabilities		(150)	4,704
Other liabilities		34,463	(63,344)
Cash (used in)/generated from operations		<u>(1,423)</u>	263,041
Interest received		37,755	35,806
Interest paid		(25,608)	(32,301)
Income tax paid		(54,085)	(81,197)
Refund of income tax		713	5,655
Net cash (used in)/generated from operating activities		<u>(42,648)</u>	191,004
<b>Cash Flows From Investing Activities</b>			
Acquisitions of additional:			
- shares in a subsidiary company from non-controlling interests	A8(a)	(4,100)	(23,649)
- warrants in subsidiary companies	A8(a)	(749)	(10,676)
Advance to an associated company		(1,216)	(1,836)
Dividends received		28,490	57,680
Expenditure incurred on investment properties		(11,053)	(28,295)
Fund distribution income received		4,038	784
Proceeds from disposals of:			
- available-for-sale securities		1,165	-
- investment properties		8,299	23,436
- plant and equipment		164	346
Purchase of:			
- property, plant and equipment		(21,991)	(21,936)
- software licenses		(79)	(76)
- trademarks		-	(1)
Net cash outflow from deemed disposal of a subsidiary company	A8(f)	(3,646)	-
Share buybacks by the Company		-	(2)
Net cash used in investing activities		<u>(678)</u>	(4,225)

**QUARTERLY REPORT FOR THE THIRD QUARTER 2017****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (CONT'D)**

	<b>Current year to date ended 30.9.2017 RM'000</b>	Preceding year to date ended 30.9.2016 RM'000
<b>Cash Flows From Financing Activities</b>		
Dividends paid to:		
- Owners of the Company	(69,240)	(34,620)
- non-controlling interests	(1,190)	(3,204)
Drawdown of loans	252,816	109,243
Drawdown/(repayment) of revolving credits - net	89,677	(115,020)
Interest paid	(55,733)	(56,040)
Proceeds from exercise of warrants of subsidiary companies	383	410
Repayment of loans	(192,944)	(104,614)
Net cash generated from/(used in) financing activities	<u>23,769</u>	<u>(203,845)</u>
<b>Net decrease in Cash and Cash Equivalents</b>	(19,557)	(17,066)
Effects of exchange rate changes	(9,265)	(193)
<b>Cash and Cash Equivalents at beginning of period</b>	418,396	451,582
<b>Cash and Cash Equivalents at end of period</b>	<u>389,574</u>	<u>434,323</u>
<b>Cash and Cash Equivalents comprised:</b>		
Cash, bank balances and short term funds	390,360	434,921
Bank overdrafts	(786)	(598)
	<u>389,574</u>	<u>434,323</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 2016)



**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**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 2016 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 2016.

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 2016.

For the current year to date, the Group adopted the following amendments and improvements to published standards and interpretations that are applicable and effective for the Group's financial year beginning on 1 January 2017:

- (a) 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.
- (b) Amendments to MFRS 112 'Income Taxes' clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments also clarify that the deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions arising from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits.
- (c) Annual Improvements to MFRS Standards 2014-2016 Cycle cover minor amendments to MFRS 12 'Disclosure of Interests in Other Entities'. The amendment of MFRS 12 aim to clarifies the disclosures requirement of MFRS 12 are applicable to interest in entities classified as held for sale.

The adoption of these amendments and improvements to published standards and interpretations does not have material impact to the Group.

For the current year to date, the Group also adopted the Companies Act 2016 ("CA2016") which took effect from 31 January 2017 except Section 241 and Division 8 of Part III of the CA2016. CA2016 was enacted to replace the Companies Act 1965.

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**

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

The Companies Commission of Malaysia has clarified that CA2016 should be complied with for the preparation of financial statements, directors' report and auditors' report thereon commencing from the financial year/period ended 31 January 2017. The main changes in CA2016 that will affect the financial statements of the Group and the Company upon the commencement of CA2016 on 31 January 2017 are:

- (i) removal of the authorised share capital;
- (ii) shares of the Company will cease to have par or nominal value; and
- (iii) the Company's share premium will become part of the Company's share capital.

The adoption of the CA2016 does not have any financial impact to the Group as any accounting implications will only be applied prospectively. The effect of adoption mainly will be on disclosures of the financial statements.

Upon adoption of the CA2016, the Group's share premium of RM336.5 million becomes part of share capital pursuant to Section 618(2) of the CA2016. The Group may use the credit amount of the share premium within twenty-four months upon commencement of section 74 of the CA2016.

On 22 August 2017, the Company proposed to undertake Proposed Bonus Issue as disclosed in B7(a).

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 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 profit or loss, 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 being assessed by the Group due to the complexity and significant changes in its requirements.

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017****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 2018 (Cont'd)

(ii) Amendment to MFRS 2 'Share-based Payment' clarifies 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 cover 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 the 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.

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**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 2019

- (i) MFRS 16 'Leases' will replace the existing standard on MFRS 117 'Leases'.

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 lessors' risk exposure, particularly to residual value risk.

- (ii) IC 23 Uncertainty over Income Tax Treatments

IC 23 clarifies the application on the recognition and measurement requirements in MFRS 112 when there is uncertainty over income tax treatments. In the circumstance of uncertainly over income tax treatment, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in MFRS 112 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and shall assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making these examinations.

**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.

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017****A5. Issues, repurchases and repayments of debts and equity securities**

Save as disclosed below, there were no issuances, repurchases and repayments of debt and equity securities of the Company for the current year to date.

**(a) Share buybacks/Treasury shares of the Company**

The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 127 of the Companies Act 2016. Summary of share buybacks is as follows:

	<b>Number of shares</b>	<b>Highest price RM</b>	<b>Lowest price RM</b>	<b>Average cost (included transaction costs) RM</b>	<b>Total amount paid RM</b>
As at 1.1.2017 / 30.9.2017	18,100,253	2.82	0.90	1.67	30,237,575

**(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 an exercise price of RM1.80 per share by cash.

As at 30 September 2017, the total number of Warrants C 2015/2020 which remained unexercised is 237,732,671 (31 December 2016: 237,732,671).

**(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 bridging 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. Such MTNs are redeemable every 6 months commencing 30 months after the first issuance date.

**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") (Cont'd)**

The terms of the MTN Programme remained unchanged other than the withdrawals of the unutilised balance sum of RM9.9 million, in respect of the first issuance, from the Disbursement Account for working capital purposes. Arising from this, the Company received a total sum of RM200.0 million for its working capital purpose.

On 30 November 2016, the Company redeemed RM100 million from the MTN issued on 30 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.
- (iii) The Company shall maintain a Debt Service Reserve Account ("DSRA") of a minimum amount equivalent to one interest payment. As at 30 September 2017, the DSRA balance was RM3.7 million (2016: RM3.7 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 30 September 2017, the total outstanding MTN is RM840.11 million and interest rate of 4.75% per annum.

**A6. Dividends paid**

During the current year to date, a final single-tier dividend of 5.0 sen per share amounting to RM69.24 million in respect of the preceding financial year ended 31 December 2016 was paid on 11 May 2017.

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017****A7. Segmental information**

The Group's businesses are organised into five major 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**

- 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.

Basis of segmentation and related measurement of segment revenue and results have no material change, other than certain comparative figures have been reclassified to conform with current year's presentation. Such reclassifications merely improve disclosure and do not have financial impact to the Group.

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**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:

	Property RM'000	Cons- truction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
<b>Current year to date ended 30.9.2017</b>						
<b>Revenue</b>						
Total revenue	531,985	218,280	220,908	82,657	453,239	1,507,069
Inter-segment revenue	(1,280)	(195,382)	(3,591)	(455)	(11,401)	(212,109)
Dividends from subsidiary companies	-	-	-	-	(374,686)	(374,686)
Dividend from an associated company	-	-	-	-	(28,432)	(28,432)
Revenue from external parties	<b>530,705</b>	<b>22,898</b>	<b>217,317</b>	<b>82,202</b>	<b>38,720</b>	<b>891,842</b>
<b>Results</b>						
Segment profit/(loss)	58,023	12,283	19,153	(3,579)	159,885	245,765
Share of results of associated companies and a joint venture	-	-	-	-	137,006	137,006
	<b>58,023</b>	<b>12,283</b>	<b>19,153</b>	<b>(3,579)</b>	<b>296,891</b>	<b>382,771</b>
Inter-segments elimination	1,493	(3,794)	(18)	(283)	(4,762)	(7,364)
<b>Profit/(Loss) before tax</b>	<b>59,516</b>	<b>8,489</b>	<b>19,135</b>	<b>(3,862)</b>	<b>292,129</b>	<b>375,407</b>
Tax expense						(32,418)
<b>Profit after tax</b>						<b>342,989</b>
<b>Preceding year to date ended 30.9.2016</b>						
<b>Revenue</b>						
Total revenue	570,188	134,446	229,036	89,637	400,477	1,423,784
Inter-segment revenue	(2,683)	(127,301)	(456)	(164)	(16,363)	(146,967)
Dividend from subsidiary companies	-	-	-	-	(290,149)	(290,149)
Dividend from an associated company	-	-	-	-	(57,680)	(57,680)
Revenue from external parties	<b>567,505</b>	<b>7,145</b>	<b>228,580</b>	<b>89,473</b>	<b>36,285</b>	<b>928,988</b>
<b>Results</b>						
Segment profit/(loss)	92,815	7,542	27,519	(9,814)	(31,824)	86,238
Share of results of associated companies and a joint venture	-	-	-	-	127,009	127,009
	92,815	7,542	27,519	(9,814)	95,185	213,247
Inter-segments elimination	(724)	(3,260)	(164)	1,019	(6,109)	(9,238)
<b>Profit/(Loss) before tax</b>	<b>92,091</b>	<b>4,282</b>	<b>27,355</b>	<b>(8,795)</b>	<b>89,076</b>	<b>204,009</b>
Tax expense						(32,237)
<b>Profit after tax</b>						<b>171,772</b>



**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**A7. Segmental information (Cont'd)**
**(a) Business segment analysis (Cont'd)**

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

	Property RM'000	Cons- truction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
<b>As at 30.9.2017</b>						
<b>Assets</b>						
Tangible assets	2,842,651	94,268	236,759	500,225	609,109	4,283,012
Intangible assets	712	-	-	-	1,171	1,883
	<b>2,843,363</b>	<b>94,268</b>	<b>236,759</b>	<b>500,225</b>	<b>610,280</b>	<b>4,284,895</b>
Investments in associated companies and a joint venture	-	-	-	-	3,452,175	3,452,175
<b>Segment assets</b>	<b>2,843,363</b>	<b>94,268</b>	<b>236,759</b>	<b>500,225</b>	<b>4,062,455</b>	<b>7,737,070</b>
Deferred tax assets and tax recoverable						155,035
<b>Total assets</b>						<b>7,892,105</b>
<b>Liabilities</b>						
<b>Segment liabilities</b>	<b>1,226,441</b>	<b>157,180</b>	<b>70,513</b>	<b>273,989</b>	<b>1,397,533</b>	<b>3,125,656</b>
Deferred tax liabilities and tax payable						150,360
<b>Total liabilities</b>						<b>3,276,016</b>
<b>As at 31.12.2016</b>						
<b>Assets</b>						
Tangible assets	3,406,175	108,207	224,247	500,937	439,500	4,679,066
Intangible assets	886	-	-	-	1,270	2,156
	<b>3,407,061</b>	<b>108,207</b>	<b>224,247</b>	<b>500,937</b>	<b>440,770</b>	<b>4,681,222</b>
Investments in associated companies and a joint venture	-	-	-	-	2,896,737	2,896,737
<b>Segment assets</b>	<b>3,407,061</b>	<b>108,207</b>	<b>224,247</b>	<b>500,937</b>	<b>3,337,507</b>	<b>7,577,959</b>
Deferred tax assets and tax recoverable						148,191
<b>Total assets</b>						<b>7,726,150</b>
<b>Liabilities</b>						
<b>Segment liabilities</b>	<b>1,277,903</b>	<b>130,001</b>	<b>41,672</b>	<b>261,687</b>	<b>1,408,227</b>	<b>3,119,490</b>
Deferred tax liabilities and tax payable						163,770
<b>Total liabilities</b>						<b>3,283,260</b>

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**A7. Segmental information (Cont'd)**
**(b) Geographical segments analysis**

The Group's operations are mainly based in Malaysia and Australia. Other geographical segments mainly 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.

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

	<b>Malaysia</b> <b>RM'000</b>	<b>Australia</b> <b>RM'000</b>	<b>Others</b> <b>RM'000</b>	<b>Consolidated</b> <b>RM'000</b>
<b>Current year to date ended 30.9.2017</b>				
Revenue	<b>864,138</b>	<b>2,692</b>	<b>25,012</b>	<b>891,842</b>
Profit/(Loss) before tax	<b>217,431</b>	<b>158,731</b>	<b>(755)</b>	<b>375,407</b>
<b>Preceding year to date ended 30.9.2016</b>				
Revenue	904,496	2,603	21,889	928,988
Profit/(Loss) before tax	206,825	(2,723)	(93)	204,009

The following table provides an analysis of the Group's assets and liabilities by geographical segments:

	<b>Malaysia</b> <b>RM'000</b>	<b>Australia</b> <b>RM'000</b>	<b>Others</b> <b>RM'000</b>	<b>Consolidated</b> <b>RM'000</b>
<b>As at 30.9.2017</b>				
Segment assets	<b>7,225,860</b>	<b>491,258</b>	<b>19,952</b>	<b>7,737,070</b>
Segment liabilities	<b>3,117,905</b>	<b>855</b>	<b>6,896</b>	<b>3,125,656</b>
<b>As at 31.12.2016</b>				
Segment assets	6,963,399	596,401	18,159	7,577,959
Segment liabilities	2,995,152	120,699	3,639	3,119,490

The decrease in segment assets and liabilities in Australia was mainly due to the deemed disposal of a subsidiary company as disclosed in A8(f).

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017****A8. Effects of changes in the composition of the Group for the current year to date****(a) Acquisitions of additional equity interests from non-controlling interests in PJ Development Holdings Berhad ("PJDH")**

From 1 January 2017 to 28 February 2017, pursuant to the Notice to Holder Who Has Not Accepted the Voluntary Take-Over Offer dated 4 October 2016, the Company further acquired the following ordinary shares and warrants of PJDH:

	<b>Shares</b>	<b>Warrants</b>
Number of units	2,156,000	1,498,083
Average price per share (RM)	1.50	0.50
Total purchase consideration (RM)	<u>3,234,000</u>	<u>749,042</u>

Arising from the above, the Company's effective interest in ordinary shares and warrants of PJDH increased from 96.42% to 96.83% and from 90.60% to 91.67% respectively.

There were no acquisition of ordinary shares and warrants of PJDH in March 2017. From 1 April 2017 to 30 September 2017, the Company further acquired the following ordinary shares of PJDH from open market:

	<b>Shares</b>
Number of units	577,080
Average price per share (RM)	1.50
Total purchase consideration (RM)	<u>865,620</u>

Arising from the above, the Company's effective interest in ordinary shares of PJDH further increased from 96.83% to 96.91%.

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

	<b>RM'000</b>
Net assets acquired from non-controlling interests	(6,628)
Gains on consolidation recognised in equity	<u>2,528</u>
Cash outflow on acquisitions of additional ordinary shares in PJDH	(4,100)
Cash outflow on acquisitions of additional warrants in PJDH	<u>(749)</u>
	<u>(4,849)</u>

**(b) Issuance of 152,099 PJDH's ordinary shares pursuant to conversion of PJDH's Warrants C**

From 11 May 2017 to 30 September 2017, PJDH issued 152,099 new ordinary shares of RM1 each for cash pursuant to the exercise of warrants for the equivalent numbers by the registered holders.

Arising from the above, the Company's effective interest in ordinary shares of PJDH remained at 96.91% and effective interest in PJDH's Warrants C increased from 91.67% to 91.76%.

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

**(c) Striking off of Olympic Cable (Singapore) Pte. Ltd. ("OCS")**

On 21 March 2017, OCS, a dormant wholly-owned subsidiary company of Olympic Cable Company Sdn. Bhd., which is a subsidiary company of PJDH, which in turn is a subsidiary company of the Company, had applied to the Accounting and Corporate Regulatory Authority of Singapore for striking off.

On 10 July 2017, OCS received a notification dated 4 July 2017 from Accounting and Corporate Regulatory Authority of Singapore informing that OSC has been struck off from the register under the Singapore Companies Act (Chapter 50). The striking off does not have any material financial effect to the Group.

**(d) Incorporation of Yarra Development Holdings (Australia) Sdn. Bhd.**

On 28 March 2017, PJDH incorporated a wholly-owned subsidiary company, Yarra Development Holdings (Australia) Sdn. Bhd., with an issued and paid up capital of RM100 comprising of 100 ordinary shares.

**(e) Incorporation of Yarra Australia Development Pty. Ltd.**

On 29 March 2017, Yarra Development Holdings (Australia) Sdn. Bhd. incorporated a wholly-owned subsidiary company, Yarra Australia Development Pty. Ltd., with an issued and paid up capital of AUD10 comprising of 10 ordinary shares.

**(f) Share Sale Agreement Entered by PJDH and Employees Provident Fund Board ("EPF") and Share Subscription Agreement Entered by Yarra Australia Development Pty. Ltd. ("YAD") and Yarra Park City Pty. Ltd. ("YPC")**

On 5 April 2017, PJDH entered a Share Sale Agreement with EPF for the disposal of 100 ordinary shares representing 100% equity interest in Yarra Development Holdings (Australia) Sdn. Bhd. ("YDH"), a wholly-owned subsidiary company of PJDH, which in turn a subsidiary company of the Company, for a total cash consideration of RM100. ("Disposal of YDH")

On even date, YAD has entered into a share subscription agreement with YPC, a 81.85% owned subsidiary company of P.J. (A) Pty. Limited, which is a subsidiary company of PJDH, which in turn a 79.26% owned subsidiary company of the Company, to subscribe for 110,490,197 ordinary shares in the YPC at AUD154 million ("Base Subscription Amount"), which may be adjusted to include an amount or amounts (if any) of up to (in aggregate) AUD21 million ("Contingent Amount") in accordance with the Subscription Agreement, which representing 49% of the entire enlarged paid-up share capital of the YPC. ("Share Subscription")

On 7 August 2017, the Disposal of YDH was duly completed.

On 8 August 2017, the Share Subscription was duly completed and resulted in a reduction of the Company's effective interest in YPC from 79.30% to 40.44%. As at 30 September 2017, the Company's effective interest in YPC increased from 40.44% to 40.45% due to change of interest in PJDH as disclosed in A8(a) and (b).

The Disposal of YDH has no material impact to the Group. The Share Subscription resulted in a dilution (or deemed disposal) of the Group's effective interest in YPC. The gain on deemed disposal comprised the difference between the fair value of interest retained in YPC and the carrying value of investment in YPC as well as realisation of foreign exchange reserve.

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**A8. Effects of changes in the composition of the Group for the current year to date (Cont'd)**
**(f) Share Sale Agreement Entered by PJDH and Employees Provident Fund Board ("EPF") and Share Subscription Agreement Entered by Yarra Australia Development Pty. Ltd. ("YAD") and Yarra Park City Pty. Ltd. ("YPC") (Cont'd)**

The Disposal of YDH and Share Subscription contributed positively to the earnings per share of the Group for the financial year ending 31 December 2017. The Group's borrowings were reduced and hence lowered the Group's gearing position.

The effects of the deemed disposal of a subsidiary company (including realisation of foreign exchange gain based on prevailing foreign exchange rate as at 8 August 2017) have the following effects on the financial position of the Group:

	<b>As at 8.8.2017 completion date of the deemed disposal of a subsidiary company <u>company</u> RM'000</b>
Equipment	1,083
Inventories	594,223
Deferred tax assets	1,330
Other receivables, deposits and prepayments	1,413
Cash and short-term funds	2,960
Borrowings	(106,606)
Trade payables	(5,854)
Amount due to related companies	(102,665)
Other payables, deposits and accruals	(7,643)
Net assets	<u>378,241</u>
Non-controlling interest	(70,314)
Realisation of foreign exchange reserve	<u>(40,599)</u>
	267,328
Capitalised as investment in an associated company	(445,626)
Gain on deemed disposal of a subsidiary company at Group level	<u>177,612</u>
Expenses incurred upon deemed disposal	(686)
Cash balances of a subsidiary company deemed disposed	<u>(2,960)</u>
Net cash outflow from deemed disposal of a subsidiary company	<u>(3,646)</u>

The gain on the deemed disposal of a subsidiary company on the Group's financial statements:

	<b>RM'000</b>
Fair value of investment in an associated company recognised upon change of status from a subsidiary company (Deemed disposal)	445,626
Less: cost of investment in subsidiary company	(267,046)
Less: expenses incurred on deemed disposal	(686)
Gain on deemed disposal of a subsidiary company at subsidiary company level	<u>177,894</u>
Pre-acquisition reserves recognised upon acquisition	2,087
Post-acquisition reserves recognised up to the date of deemed disposal	(109,626)
Realisation of foreign exchange reserve	40,599
Excess of fair value over carrying amount of the remaining equity stake (gain on dilution of equity interest)	<u>66,658</u>
<b>Gain on deemed disposal of a subsidiary company at OSKH Group level</b>	<u><b>177,612</b></u>

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017****A8. Effects of changes in the composition of the Group for the current year to date (Cont'd)****(g) Striking off of Swiss-Garden Rewards (Singapore) Pte. Ltd. ("SGRS")**

On 6 April 2017, SGRS, a dormant wholly-owned subsidiary company of Swiss-Garden Rewards Sdn. Bhd., which is a subsidiary company of PJDH, which in turn is a subsidiary company of the Company, had applied to the Accounting and Corporate Regulatory Authority of Singapore for striking off.

On 7 August 2017, SGRS received a notification dated 7 August 2017 from Accounting and Corporate Regulatory Authority of Singapore informing that SGRS has been struck off from the register under the Singapore Companies Act (Chapter 50). The striking off does not have any material financial effect to the Group.

**(h) Issuance of 18,101,310 OSK Property Holdings Berhad's ("OSKPH") ordinary shares pursuant to conversion of OSKPH's Warrants C**

From 1 July 2017 to 28 August 2017, OSKPH issued 18,101,310 new ordinary shares of RM1 each for cash pursuant to the exercise of warrants for the equivalent numbers by the Company and the registered holders of 17,870,377 and 230,933 respectively.

Arising from the above, the Company's effective interest in ordinary shares of OSKPH decreased from 99.999% to 99.93%.

The remaining OSKPH's Warrants C of 801,350 units expired on 28 August 2017.

**A9. Events subsequent to the end of the current quarter that have not been reflected in this quarterly report****(a) Acquisitions of additional equity interests in PJDH after 30 September 2017**

From 1 October 2017 to 23 November 2017, the following PJDH ordinary shares was acquired:

	<b>Shares</b>
Number of units	188,000
Average price per share (RM)	1.50
Total purchase consideration (RM)	<u>282,000</u>

**(b) Issuance of 147,350 PJDH's ordinary shares pursuant to conversion of PJDH's Warrant C**

From 1 October 2017 to 23 November 2017, PJDH issued 147,350 new ordinary shares of RM1 each for cash pursuant to the exercise of warrants for the equivalent numbers by the registered holders.

Arising from (a) and (b) above, the Company's effective interest in ordinary shares and warrants of PJDH increased from 96.91% to 96.92% and from 91.76% to 91.86% respectively.

**(c) Issuance of 3,564 ordinary shares of the Company pursuant to conversion of the Company's Warrants C 2015/2020**

On 13 October 2017, the Company issued 3,564 new ordinary shares of RM1 each pursuant to the exercise of Warrants C 2015/2020 at an exercise price of RM1.80 per ordinary share for cash by the equivalent numbers registered holders.

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**A9. Events subsequent to the end of the current quarter that have not been reflected in this quarterly report (Cont'd)**
**(d) Proposed provision of financial assistance through the Company and/or its subsidiary companies to Yarra Park City Pty. Ltd. ("YPC")**

On 27 September 2017, the Company announced the proposal to provide financial assistance through the Company and/or its subsidiary companies to YPC, an associate company of the Company, in the form of cash advances, corporate guarantees, undertakings, indemnities and/or collaterals for banking facilities to be obtained by YPC from financial institutions, up to an aggregate amount of AUD250.0 million, which is in proportion to its current shareholding in YPC held via P.J. (A) Pty. Limited, a subsidiary company of the Company.

The proposed provision of financial assistance were duly approved by Shareholders of the Company in the Extraordinary General Meeting held on 14 November 2017.

**A10. Significant unrecognised contractual commitments**

	As at <b>30.9.2017</b> RM'000	As at 31.12.2016 RM'000
Contracted but not provided for:		
- Acquisition of development land	-	118,321
- Acquisition of plant, equipment and software	<b>995</b>	1,807
- Construction of investment property	<b>24,670</b>	24,670
- Professional fee for corporate exercise	-	200
	<b>25,665</b>	144,998

**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 <b>30.9.2017</b> RM'000
<b>(a) Associated companies:</b>		
Agile PJD Development Sdn. Bhd.	- Interest income	1,216
Canggih Pesaka Sdn. Bhd.	- Office rental expense	(569)
RHB Asset Management Sdn. Bhd.	- Fund distribution income	2,375
RHB Investment Bank Berhad	- Office rental income	774
RHB Bank Berhad	- Office rental income	589
	- Interest income	712
	- Interest expense	(34,679)
	- Commitment fee	(565)
<b>(b) Other related parties:</b>		
Dindings Consolidated Sdn. Bhd.	- Office rental income	384
Dindings Construction Sdn. Bhd.	- Construction works	(244)
Dindings Design Sdn. Bhd.	- Renovation work	(624)
DC Services Sdn. Bhd.	- Insurance premium expense	(1,288)
Dindings Life Agency Sdn. Bhd.	- Insurance premium expense	(493)
Dindings Risks Management Services Sdn. Bhd.	- Insurance premium expense	(201)
Sincere Source Sdn. Bhd.	- Insurance premium expense	(1,216)

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**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
<b>As at 30.9.2017</b>				
<b>Non financial assets</b>				
Biological assets	-	-	299	299
Investment properties	-	293,660	362,672	656,332
<b>Financial assets</b>				
Derivative asset	-	24,772	-	24,772
Securities at fair value through profit or loss	327	-	-	327
	<b>327</b>	<b>318,432</b>	<b>362,971</b>	<b>681,730</b>
<b>As at 31.12.2016</b>				
<b>Non financial assets</b>				
Biological assets	-	-	145	145
Investment properties	-	297,873	351,907	649,780
<b>Financial assets</b>				
Available-for-sale securities	-	-	954	954
Derivative asset	-	35,871	-	35,871
Securities at fair value through profit or loss	199	-	-	199
	<b>199</b>	<b>333,744</b>	<b>353,006</b>	<b>686,949</b>



**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**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 levels of the fair value hierarchy during the current year to date.

**A14. Derivative financial instruments**

<b>Type of Derivative</b>	<b>Contract / Notional RM'000</b>	<b>Carrying Amount at Fair Value RM'000</b>	<b>Cash Flow Hedge Reserve RM'000</b>
<b>As at 30.9.2017</b>			
Cross-currency interest rate swap contract - 1 year to 3 years	<b>87,948</b>	<b>24,772</b>	<b>(128)</b>
<b>As at 31.12.2016</b>			
Cross-currency interest rate swap contract - 1 year to 3 years	<b>99,360</b>	<b>35,871</b>	<b>(637)</b>

The 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 borrowing that would mature on 28 September 2018. The fair value of these components has been determined based on the difference between the monthly future rates and the strike rate.

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

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**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 review of financial performance are analysed as follows:

	<b>Current quarter ended 30.9.2017 RM'000</b>	<b>Comparative quarter ended 30.9.2016 RM'000</b>	<b>% change</b>	<b>Current year to date ended 30.9.2017 RM'000</b>	<b>Preceding year to date ended 30.9.2016 RM'000</b>	<b>% change</b>
<b>Overall performance analysis</b>						
Revenue	<b>314,453</b>	271,174	16%	<b>891,842</b>	928,988	(4%)
Pre-tax profit from the business	<b>20,822</b>	18,893	10%	<b>60,789</b>	77,000	(21%)
Share of results of associated companies and a joint venture	<b>44,905</b>	45,492	(1%)	<b>137,006</b>	127,009	8%
	<b>65,727</b>	64,385	2%	<b>197,795</b>	204,009	(3%)
Gain on deemed disposal of a subsidiary company*	<b>177,612</b>	-		<b>177,612</b>	-	
Pre-tax profit	<b>243,339</b>	64,385	278%	<b>375,407</b>	204,009	84%
Profit before interest and tax	<b>261,820</b>	82,370	218%	<b>431,140</b>	260,047	66%
Profit after tax	<b>231,675</b>	55,953	314%	<b>342,989</b>	171,772	100%
Profit attributable to Owners of the Company	<b>226,828</b>	56,298	303%	<b>336,841</b>	168,165	100%

\* The Share Subscription as disclosed in A8(f) resulted in a dilution of equity interest in YPC. The gain on deemed disposal comprised the difference between the fair value of interest retained and the carrying value of investment of RM137.01 million as well as realisation of foreign exchange reverse of RM40.60 million.

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**B1. Performance analysis of the Group for the current quarter and year to date (Cont'd)**

The Group's review of financial performance are analysed as follows: (Cont'd)

	<b>Current quarter ended 30.9.2017 RM'000</b>	<b>Comparative quarter ended 30.9.2016 RM'000</b>	<b>% change</b>	<b>Current year to date ended 30.9.2017 RM'000</b>	<b>Preceding year to date ended 30.9.2016 RM'000</b>	<b>% change</b>
<b>Pre-tax profit analysis for business segments</b>						
<b>1. Property</b>	<b>15,437</b>	25,160	(39%)	<b>59,516</b>	92,091	(35%)
<b>2. Construction</b>	<b>4,308</b>	321	1242%	<b>8,489</b>	4,282	98%
<b>3. Industries</b>	<b>6,807</b>	8,173	(17%)	<b>19,135</b>	27,355	(30%)
<i>Hotels and Resorts</i>	239	889	(73%)	(3,791)	(6,962)	46%
<i>Vacation Club</i>	(1,155)	(1,418)	19%	(71)	(1,833)	96%
<b>4. Hospitality</b>	<b>(916)</b>	(529)	(73%)	<b>(3,862)</b>	(8,795)	56%
<i>Capital Financing</i>	6,947	6,254	11%	25,139	20,592	22%
<i>Investment Holding</i>	210,756	25,006	743%	266,990	68,484	290%
<b>5. Financial Services and Investment Holding</b>	<b>217,703</b>	31,260	596%	<b>292,129</b>	89,076	228%
<b>Pre-tax profit</b>	<b>243,339</b>	64,385	278%	<b>375,407</b>	204,009	84%

***Current Quarter ("3Q17") compared with Comparative Quarter of Preceding Year ("3Q16")***

The Group registered revenue of RM314.45 million and pre-tax profit of RM243.34 million in 3Q17 compared with revenue of RM271.17 million and pre-tax profit of RM64.39 million in 3Q16, representing an increase of RM43.28 million or 16% in revenue and RM178.95 million or 3.8 times in pre-tax profit. The 3Q17 pre-tax profit improved primarily due to the one-off gain on deemed disposal of RM177.61 million arising from the dilution of equity interest in a subsidiary company in Melbourne, Australia and realisation of foreign exchange reserve thereof. In addition, higher profits generated from the Financial Services and Investment Holding and Construction Segments helped to offset the lower contributions from the Property, Hospitality and Industries Segments.

The Property Segment registered revenue of RM183.76 million and pre-tax profit of RM15.44 million in 3Q17 compared with revenue of RM146.76 million and pre-tax profit of RM25.16 million in 3Q16, representing an increase of RM37.00 million or 25% in revenue and a decrease of RM9.72 million or 39% in pre-tax profit. Despite its higher revenue, the 3Q17 pre-tax profit was impacted by lower margins of the existing on-going projects located outside the Klang Valley. In addition, 3Q16 profit included one-off gains of RM3.45 million from disposals of non-core properties.

**B1. Performance analysis of the Group for the current quarter and year to date (Cont'd)***Current Quarter ("3Q17") compared with Comparative Quarter of Preceding Year ("3Q16") (Cont'd)*

The Construction Segment contributed revenue of RM8.21 million and pre-tax profit of RM4.31 million in 3Q17 compared with revenue of RM2.87 million and pre-tax profit of RM0.32 million in 3Q16, representing an increase of RM5.34 million or 2.9 times in revenue and RM3.99 million or 13.5 times in pre-tax profit. The higher revenue and pre-tax profit achieved were mainly due to progress billings from construction projects undertaken on the back of higher construction order book which comprised internal and external projects.

The Industries Segment registered revenue of RM78.94 million and pre-tax profits of RM6.81 million in 3Q17 compared with revenue of RM77.41 million and pre-tax profit of RM8.17 million in 3Q16, representing an increase of RM1.53 million or 2% in revenue and a decrease of RM1.36 million or 17% in pre-tax profit. The higher revenue reported was mainly due to an increase in orders from the Cables Division. However, the overall pre-tax profit reduced due to delays in the take-up rate of IBS products from projects where the orders were secured.

The Hospitality Segment registered revenue of RM28.77 million and pre-tax loss of RM0.92 million in 3Q17 compared with revenue of RM31.32 million and pre-tax loss of RM0.53 million in 3Q16, representing a decrease of RM2.55 million or 8% in revenue and RM0.39 million or 74% in pre-tax performance. The decrease in revenue and higher pre-tax loss during the quarter were mainly due to lower fee income recognised from the management of hotel rooms for external parties in line with the reduced inventories. The Vacation Club Division's performance improved slightly due to comparatively lower membership terminations in 3Q17.

The Capital Financing Division posted higher revenue of RM12.97 million and pre-tax profit of RM6.95 million in 3Q17 compared with revenue of RM11.22 million and pre-tax profit of RM6.25 million in 3Q16, representing an increase of RM1.75 million or 16% in revenue and RM0.70 million or 11% in pre-tax profit. The improved performance was mainly due to higher net fees and interest income on the back of higher loan disbursements.

The Investment Holding Division contributed pre-tax profit of RM210.76 million in 3Q17 compared to RM25.01 million in 3Q16, representing an increase of RM185.75 million or 8.4 times in pre-tax profit mainly due to the one-off gain on deemed disposal of RM177.61 million arising from the dilution of equity interest in a subsidiary company in Melbourne, Australia and realisation of foreign exchange reserve thereof in 3Q17.

**B1. Performance analysis of the Group for the current quarter and year to date (Cont'd)***Current Year To Date ("9M17") compared with Preceding Year To Date ("9M16")*

The Group registered revenue of RM891.84 million and pre-tax profit of RM375.41 million in 9M17 compared with revenue of RM928.99 million and pre-tax profit of RM204.01 million in 9M16, representing a decrease of RM37.15 million or 4% in revenue and an increase of RM171.40 million or 84% in pre-tax profit. The increase in pre-tax profit in 9M17 was mainly due to the one-off gain on deemed disposal of RM177.61 million arising from the dilution of equity interest in a subsidiary company in Melbourne, Australia and realisation of foreign exchange reserve thereof. In addition, higher profits were reported from the Construction, Hospitality; and Financial Services and Investment Holding Segments.

The Property Segment registered revenue of RM530.71 million and pre-tax profit of RM59.52 million in 9M17 compared with revenue of RM567.51 million and pre-tax profit of RM92.09 million in 9M16, representing a decrease of RM36.80 million or 6% in revenue and RM32.57 million or 35% in pre-tax profit. The 9M17 performance was impacted by fewer on-going projects and slower sales from these on-going projects due to the lackluster property market. In addition, the Property Investment Division recorded a lower revenue and pre-tax profit in 9M17 as compared to 9M16 due to lower occupancy at Plaza OSK in 9M17 and an one-off gain of RM0.30 million (9M16: RM4.24 million) on disposal of non-core property.

The Construction Segment contributed revenue of RM22.90 million and pre-tax profit of RM8.49 million in 9M17 compared with revenue of RM7.15 million and pre-tax profit of RM4.28 million in 9M16, representing an increase of RM15.75 million or 3.2 times in revenue and RM4.21 million or 98% in pre-tax profit. The improved performance was mainly contributed by higher progress billings for both external and internal projects.

The Industries Segment registered revenue of RM217.32 million and pre-tax profits of RM19.14 million in 9M17 compared with revenue of RM228.58 million and pre-tax profit of RM27.36 million in 9M16, representing a decrease of RM11.26 million or 5% in revenue and RM8.22 million or 30% in pre-tax profit. The 9M17 revenue and pre-tax profit were impacted by slower demand and lower margins for cables and lower take-up rate for IBS products due to the delays in customers' projects.

The Hospitality Segment registered revenue of RM82.20 million and pre-tax loss of RM3.86 million in 9M17 compared with revenue of RM89.47 million and pre-tax loss of RM8.80 million in 9M16, representing a decrease of RM7.27 million or 8% in revenue and an improvement of RM4.94 million or 56% in pre-tax performance. The improvement in gross profit margin was due to cost optimisation exercises carried out in the Hotels and Resorts Division. The performance of the Vacation Club Division's performance improved due to comparatively lower membership terminations in 9M17.

The Capital Financing Division posted higher revenue of RM34.70 million and pre-tax profit of RM25.14 million in 9M17 compared with revenue of RM32.43 million and pre-tax profit of RM20.59 million in 9M16, an increase of RM2.27 million or 7% in revenue and RM4.55 million or 22% in pre-tax profit. The increase in pre-tax profit was due to higher net fees and interest income arising from higher loan disbursements in 9M17 and recovery of bad debts of RM1.64 million (9M16: RM0.11 million) and net write back of allowance for impairment losses of RM4.09 million (9M16: RM2.70 million).

The Investment Holding Division contributed pre-tax profit of RM266.99 million in 9M17 compared with RM68.48 million in 9M16, representing an increase of RM198.51 million or 3.9 times in pre-tax profit mainly due to the one-off gain on deemed disposal of RM177.61 million arising from the dilution of equity interest in a subsidiary company in Melbourne, Australia and realisation of foreign exchange reserve thereof; and higher share of profit of RHB group as well as interest income.

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**B2. Commentary on pre-tax profit for current quarter compared with immediate preceding quarter**

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

	<b>Current quarter ended 30.9.2017 RM'000</b>	Immediate preceding quarter ended 30.6.2017 RM'000	% change
<b>Overall performance analysis</b>			
Revenue	<b>314,453</b>	274,845	14%
Pre-tax profit from the business	<b>20,822</b>	19,192	8%
Share of results of associated companies and a joint venture	<b>44,905</b>	46,049	(2%)
	<b>65,727</b>	65,241	1%
Gain on deemed disposal of a subsidiary company*	<b>177,612</b>	-	
Pre-tax profit	<b>243,339</b>	65,241	273%
Profit before interest and tax	<b>261,820</b>	84,536	210%
Profit after tax	<b>231,675</b>	57,061	306%
Profit attributable to Owners of the Company	<b>226,828</b>	55,745	307%

**Pre-tax profit analysis for business segments**

<b>1. Property</b>	<b>15,437</b>	19,874	(22%)
<b>2. Construction</b>	<b>4,308</b>	2,525	71%
<b>3. Industries</b>	<b>6,807</b>	6,242	9%
<i>Hotels and Resorts</i>	239	(2,679)	109%
<i>Vacation Club</i>	(1,155)	601	(292%)
<b>4. Hospitality</b>	<b>(916)</b>	(2,078)	56%
<i>Capital Financing</i>	6,947	12,147	(43%)
<i>Investment Holding</i>	210,756	26,531	694%
<b>5. Financial Services and Investment Holding</b>	<b>217,703</b>	38,678	463%
<b>Pre-tax profit</b>	<b>243,339</b>	65,241	273%

\* The Share Subscription as disclosed in A8(f) resulted in a dilution of equity interest in YPC. The gain on deemed disposal comprised the difference between the fair value of interest retained and the carrying value of investment of RM137.01 million as well as realisation of foreign exchange reverse of RM40.60 million.

**B2. Commentary on pre-tax profit for current quarter compared with immediate preceding quarter (Cont'd)***Current Quarter ("3Q17") and immediate preceding quarter ("2Q17")*

The Group recorded higher revenue of RM314.45 million and pre-tax profit of RM243.34 million in 3Q17 compared with revenue of RM274.85 million and pre-tax profit RM65.24 million in 2Q17, representing an increase of RM39.60 million or 14% in revenue and RM178.10 million or 3.7 times in pre-tax profit. In 3Q17, higher profits were reported from the Construction, Hospitality, Industries; and Financial Services and Investment Holding Segments.

The Property Segment recorded revenue of RM183.76 million and pre-tax profit of RM15.44 million in 3Q17 compared with revenue of RM154.48 million and pre-tax profit of RM19.87 million in 2Q17, representing an increase of RM29.28 million or 19% in revenue and a decrease of RM4.43 million or 22% in pre-tax profit. Despite higher revenue reported in 3Q17, pre-tax profit were lower due to lower profit margin from the existing on-going projects and higher profit recognised upon completion of certain projects in 2Q17.

The Construction Segment recorded revenue of RM8.21 million and pre-tax profit of RM4.31 million in 3Q17 compared with revenue of RM9.26 million and pre-tax profit of RM2.53 million in 2Q17, representing a decrease of RM1.05 million or 11% in revenue and an increase of RM1.78 million or 70% in pre-tax profit. The higher pre-tax profit in 3Q17 was generated from the higher progress workdone for both external and internal projects and higher realisation of profits from internal projects.

The Industries Segment recorded revenue of RM78.94 million and pre-tax profit of RM6.81 million in 3Q17 compared with revenue of RM72.44 million and pre-tax profit of RM6.24 million in 2Q17, representing an increase in revenue and pre-tax profit of RM6.50 million or 9% and RM0.57 million or 9% respectively. The improved performance in 3Q17 was mainly due to higher demand for cables and higher take up rate for IBS wall panels compared with 2Q17.

The Hospitality Segment recorded revenue of RM28.77 million and pre-tax loss of RM0.92 million in 3Q17 compared with revenue of RM25.83 million and pre-tax loss of RM2.08 million in 2Q17, representing an increase of RM2.94 million or 11% in revenue and an improvement of RM1.16 million or 56% in pre-tax performance. The better performance in 3Q17 for Hotels and Resorts Division was mainly due to higher occupancy rates at certain hotels and continuous cost optimisation exercise being carried out which resulted in improved gross margin particularly in the food and beverage section.

The Capital Financing Division recorded revenue of RM12.97 million and pre-tax profit of RM6.95 million in 3Q17 compared with revenue of RM11.34 million and pre-tax profit of RM12.15 million in 2Q17, representing an increase of RM1.63 million or 14% in revenue and a decrease of RM5.20 million or 43% in pre-tax profit. The decrease in pre-tax profit was due to a recovery of bad debts of RM1.64 million and net write back of allowance for impairment losses of RM4.25 million recorded in 2Q17. Excluding the recovery of bad debts and write back of allowance for impairment losses, this division generated profit of RM6.95 million in 3Q17 (2Q17: RM6.26 million), representing an increase of RM0.69 million or 11% mainly due to higher loan disbursement during 3Q17.

The Investment Holding Division contributed pre-tax profit of RM210.76 million in 3Q17, an increase of RM184.23 million, compared with RM26.53 million in 2Q17. The improvement in pre-tax profit mainly comprised of the one-off gain on deemed disposal of RM177.61 million arising from the dilution in equity interest in a subsidiary company in Melbourne, Australia and realisation of foreign exchange reserve thereof.

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

(a) Prospects for the remaining year 2017

Performance of the Property Development Division continues to be led by sales and progress billings from the existing projects and new projects to be launched in Malaysia. The Melbourne Square project in Melbourne, Australia continues to record strong take-up rates since its launch in June 2017. The project's share of profit would only be recognised upon completion of the development in line with the profit recognition criteria under MFRS 15 Revenue from Contracts with Customers. In Malaysia, the Group plans to launch the first phases of its new developments namely Iringan Bayu in Seremban and Ryan & Miho in Section 13 Petaling Jaya with a total gross development value of approximately RM720 million by year-end. As at 30 September 2017, the Group has unbilled sales of RM1.1 billion and land bank size of 2,055 acres with an estimated gross development value of RM8.3 billion.

The Property Investment business continues to contribute steady rental income from the commercial and retail tenants. Occupancy rate in Plaza OSK and Faber Towers are expected to increase as we continue to market the office space competitively.

The Construction Segment continues to focus on delivery of its current outstanding order book in a timely manner. As at 30 September 2017, the outstanding order book of this segment of RM446 million.

The Industries Segment is anticipated to perform satisfactorily as it continues to tap on projects from the private sector as well as projects undertaken by the government with the roll-out of major infrastructure projects. The initiatives by the Government to regulate the use of IBS in the property development and construction industries augurs well for our IBS Division.

The Hospitality Segment is expected to improve in tandem with the increase in tourist arrivals, both foreign and local coupled with enhancement initiatives at some of our resorts to attract visitorship as we enter into the year-end holiday season.

The Financial Services and Investment Holding Segment's contribution will mainly depend on the performance of RHB Group. The Capital Financing Division is expected to generate a decent profit based on its existing portfolio.

Premised on the foregoing, the Board is confident that the Group will deliver satisfactory results for the remaining year.

(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**

	<b>Current quarter ended 30.9.2017 RM'000</b>	<b>Current year to date ended 30.9.2017 RM'000</b>
In respect of the current year		
Malaysian income tax	(7,979)	(34,605)
(Under)/over provision in respect of prior years		
Malaysian income tax	(3,091)	58
Deferred taxation	(594)	2,129
Tax expense	<u>(11,664)</u>	<u>(32,418)</u>

Excluding share of results of associated companies and a joint venture and gain on deemed disposal, 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 to offset against taxable profits in other subsidiary companies within the Group.

**B7. Status of corporate proposals and utilisation of proceeds**

As at 23 November 2017 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report):

**(a) Status of corporate proposal announced but not completed**

**Proposed Bonus Issue of up to 820,311,770 new ordinary shares in the Company (“Bonus Share(s)”) on the basis of one (1) bonus share for every two (2) existing ordinary shares of the Company (“Proposed Bonus Issue”)**

On 22 August 2017, the Company proposed to undertake the Proposed Bonus Issue. The Proposed Bonus Issue entails an issuance of up to 820,311,770 Bonus Shares on the basis of one (1) Bonus Share for every two (2) existing ordinary shares held by the entitled shareholders of the Company whose names appear in the Register of Members and Record of Depositors of the Company as at the close of business on the entitlement date to be determined later (“Entitled Shareholder(s)"). The Proposed Bonus Issue shall be capitalised from the share premium and retained profits accounts of the Company.

The Bonus Shares will, upon allotment and issuance, rank pari passu in all respects with the existing ordinary shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotment and/ or any other forms of distribution (“Distribution”) that may be declared, made or paid for which the entitlement date for the Distribution precedes the date of allotment and issuance of the Bonus Shares.

On 12 October 2017, Bursa Securities had, vide its letter dated 11 October 2017, which was received by the Company on 12 October 2017 resolved to approve the listing and quotation of:

- (1) Up to 820,311,770 Bonus Shares to be issued pursuant to the Proposed Bonus Issue;
- (2) Up to 118,866,335 additional Warrants to be issued pursuant to the adjustment arising from the Proposed Bonus Issue; and
- (3) Up to 118,866,335 new ordinary shares of the Company to be issued arising from the exercise of the additional Warrants.

The Proposed Bonus Issue has been duly approved by shareholders of the Company in the Extraordinary General Meeting on 14 November 2017. The entitlement date for the Bonus Issue is 29 November 2017 and the new ordinary shares will be transferred into the Depositor's Securities Account on the same day.

Completion of the Bonus Issue will result in a corresponding dilution in the earnings per share and net assets per share of the Group for the financial year ending 31 December 2017 due to the increase in number of ordinary shares of the Company.

**B7. Status of corporate proposals and utilisation of proceeds (Cont'd)****(b) Status of utilisation of proceeds raised from any corporate proposal**

There were no proceeds raised from any corporate proposal.

**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, denominated in Ringgit Malaysia ("MYR"), Australia Dollar ("AUD"), United States Dollar ("USD") and Vietnamese Dong ("VND"), are as follows:

**(a) Debt securities**

	Non-current RM'000	Current RM'000	Total RM'000
<b>As at 30.9.2017</b>			
<b>Secured</b>			
Medium term notes - MYR	824,064	13,990	838,054
<b>As at 31.12.2016</b>			
<b>Secured</b>			
Medium term notes - MYR	837,604	-	837,604

Details of medium term notes are disclosed in Note A5(c).

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**B8. Borrowings and debt securities as at the end of the reporting period (Cont'd)**

The Group's borrowings and debt securities at the end of the current year to date, denominated in Ringgit Malaysia ("MYR"), Australia Dollar ("AUD"), United States Dollar ("USD") and Vietnamese Dong ("VND"), are as follows: (Cont'd)

**(b) Borrowings**

	Non-current		Current		Total
	Foreign Currency		Foreign Currency		
	'000	RM'000	'000	RM'000	RM'000
<b>As at 30.9.2017</b>					
<b>Secured</b>					
Bankers' acceptances - MYR	-	-	-	19,887	19,887
Revolving credits - MYR	-	-	-	154,547	154,547
Term/Bridging					
- MYR	-	599,456	-	64,897	664,353
- USD (1 : 4.2275)	-	-	USD26,627	112,564	112,564
		<u>599,456</u>		<u>351,895</u>	<u>951,351</u>
<b>Unsecured</b>					
Bank overdrafts - MYR	-	-	-	786	786
Revolving credits - MYR	-	-	-	470,726	470,726
Trust receipt					
- VND (100 : 0.0186)	-	-	VND19,663,358	3,666	3,666
		<u>-</u>		<u>475,178</u>	<u>475,178</u>
<b>Total</b>		<u>599,456</u>		<u>827,073</u>	<u>1,426,529</u>
<b>As at 31.12.2016</b>					
<b>Secured</b>					
Revolving credits - MYR	-	-	-	169,300	169,300
Term/Bridging					
- MYR	-	465,368	-	53,300	518,668
- AUD (1 : 3.2436)	AUD62,500	202,725	-	-	202,725
- USD (1 : 4.4860)	USD23,391	104,934	USD6,690	30,012	134,946
		<u>773,027</u>		<u>252,612</u>	<u>1,025,639</u>
<b>Unsecured</b>					
Bank overdrafts - MYR	-	-	-	56	56
Revolving credits - MYR	-	-	-	366,198	366,198
Trust receipt					
- VND (100 : 0.0197)	-	-	VND7,075,602	1,397	1,397
		<u>-</u>		<u>367,651</u>	<u>367,651</u>
<b>Total</b>		<u>773,027</u>		<u>620,263</u>	<u>1,393,290</u>

**B8. Borrowings and debt securities as at the end of the reporting period (Cont'd)**

The Group's borrowings and debt securities at the end of the current year to date are as follows: (Cont'd)

**(c) Commentaries on the Group borrowings and debt securities**

- (i) During current year to date, there were no material changes in debts and borrowings other than the changes for working capital requirements. For medium term notes, the relevant details are disclosed in Note A5(c);
- (ii) The increase in the borrowings were used for working capital purpose; and
- (iii) Borrowings of USD26.63 million has been hedged to MYR via USD/MYR cross currency interest rate swap transaction and the contracted USD/MYR forex rate was 3.3030. The VND19.66 billion borrowings has not been hedged due to the borrowings were used as working capital for business operations in Vietnam.

**B9. Changes in material litigation**

As at 23 November 2017 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), 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) Adjudication between BUCG (M) Sdn. Bhd. ("BUCG") v 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.

1st Adjudication

BUCG commenced their 1st adjudication against ADSB by serving 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"). 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.

**B9. Changes in material litigation (Cont'd)**

**(a) Adjudication between BUCG (M) Sdn. Bhd. ("BUCG") v Atria Damansara Sdn. Bhd. ("ADSB") (Cont'd)**

2nd Adjudication

On 7 June 2017, BUCG commenced the 2nd Adjudication against ADSB by serving their Payment Claim dated 7 June 2017 for a total sum of RM99,692,535.49 which comprises of the following:-

- (i) RM37,663,923.16 under Progress Claim No.36 (Final Claim);
- (ii) RM11,400,000.00 being 5% retention sum under the contract;
- (iii) RM45,630,921.64 being loss and expenses; and
- (iv) RM4,997,690.69 being GST.

ADSB Payment Response was served on BUCG on 22 June 2017. Atria contends that, inter-alia, the Payment Claim does not adhere to the requirements set out in CIPAA 2012 and that BUCG is estopped from raising such a claim now.

BUCG had registered the Adjudication with the Kuala Lumpur Regional Centre for Arbitration (KLRC) and a Notice of Adjudication was served on ADSB on 27 July 2017. Parties will proceed to appoint the Adjudicator for the Adjudication.

On 15 September 2017, BUCG filed its Adjudication Claim for the total sum of claiming, inter alia:

- (i) For a sum of RM37,663,923.16 pursuant to Progress Claim No.36 (Final Claim);
  - (ii) Release of retention sum of RM11,400,000.00;
  - (iii) Loss of expenses of RM45,630,921.64; and
  - (iv) GST of RM4,997,690.69.
- (Total: RM99,692,535.49)

On 10 October 2017, ADSB has filed its Adjudication Response, claimed that BUCG is not entitled to the sum of RM99,692,535.49 and raised a set off of RM100,073,692.16 (Inclusive of Liquidated Ascertained Damages ("LAD"), payments to Nominated Sub-Contractors, loss of rental etc).

On 14 November 2017, BUCG has served its Adjudication Reply, Written Submissions and Rebuttal Report to ADSB's solicitor and the Adjudicator.

On 23 November 2017, the Adjudicator has allowed ADSB to respond to the Adjudication Reply and the matter has been fixed for Hearing on 18 January 2018. The Adjudicator will then deliver the Adjudication Decision within forty five (45) working days from 18 January 2018.

**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, a subsidiary company of OSKPH which in turn is a subsidiary company of the Company filed a revised Notice of Arbitration on 23 November 2016.

At a preliminary meeting with the Arbitrator on 6 July 2017, the Arbitrator provided parties with directions and has fixed the first hearing date to be on 4 March 2019.

The Statement of Claim has been filed on 7 September 2017 where ADSB has pleaded for a total claim sum of RM 81,065,432.56 (which includes LAD of RM27,180,000.00 and additional costs paid to contractor for rectification works and cost to complete the constructions of RM 22,818,413.67).

On 6 November 2017, the Arbitrator is resigned due to conflict of interest and parties now has to appoint a new Arbitrator.

On 9 November 2017, BUCG has served its Defence and Counterclaim on the matter. Via its counterclaim, BUCG is claiming for the sum of RM105,674,087.62 based on various bills, variation orders, losses and expenses incurred and GST.

ADSB is required to file its Reply to Defence and Defence to Counterclaim by 7 December 2017.

**(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 years of 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 Striking Out Application and their applications were allowed on 25 October 2016.

The Hearing for the extension of time for the Discovery application has been adjourned to 30 January 2018.

The Court has fixed 10 January 2018 as the next case management date for the Discovery application and for mediation between parties in an attempt for parties to reach to an amicable settlement.

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**B10. Dividends**

- (a) The Board of Directors has proposed a single-tier interim dividend of 2.5 sen (9M16: 2.5 sen) per ordinary share in respect of the financial year ending 31 December 2017 was paid on 11 October 2017.
- (b) Total dividend for the current year to date is 2.5 sen (9M16: 2.5 sen) per ordinary share.

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

	<b>Current quarter ended 30.9.2017</b>	Comparative quarter ended 30.9.2016	<b>Current year to date ended 30.9.2017</b>	Preceding year to date ended 30.9.2016
<b>(a) Basic earnings per share</b>				
Profit attributable to Owners of the Company (RM'000)	<b>226,828</b>	56,298	<b>336,841</b>	168,165
Weighted average number of ordinary shares in issue ('000)	<b>1,384,791</b>	1,384,792	<b>1,384,791</b>	1,384,792
<b>Basic EPS (sen)</b>	<b>16.38</b>	4.07	<b>24.32</b>	12.14
<b>(b) Diluted earnings per share</b>				
Profit attributable to Owners of the Company (RM'000)	<b>226,828</b>	56,298	<b>336,841</b>	168,165
Weighted average number of ordinary shares in issue ('000)	<b>1,384,791</b>	1,384,792	<b>1,384,791</b>	1,384,792
Effect of dilution of assumed exercise of Warrants C 2015/2020 ('000)^	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	<b>1,384,791</b>	1,384,792	<b>1,384,791</b>	1,384,792
<b>Diluted EPS (sen)</b>	<b>16.38</b>	4.07	<b>24.32</b>	12.14

^ The Company's Warrant C 2015/2020 that could potentially dilute basic earnings per share in the future were not included in the calculation of the diluted earnings per share because they are anti-dilutive.

**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**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**

	<b>Current quarter ended 30.9.2017 RM'000</b>	Comparative quarter ended 30.9.2016 RM'000	<b>Current year to date ended 30.9.2017 RM'000</b>	Preceding year to date ended 30.9.2016 RM'000
<b>Profit before tax is arrived at after crediting/(charging):</b>				
(i) <u>Revenue</u>				
Interest income	<b>10,300</b>	9,086	<b>27,345</b>	27,144
Rental income	<b>10,799</b>	11,534	<b>30,566</b>	34,664
(ii) <u>Cost of sales</u>				
Interest expense	<b>(4,023)</b>	(2,915)	<b>(10,368)</b>	(8,521)
(iii) <u>Other income</u>				
Dividend income	<b>9</b>	-	<b>67</b>	-
Fund distribution income	<b>1,456</b>	534	<b>4,038</b>	784
Gain on deemed disposal of a subsidiary company*	<b>177,612</b>	-	<b>177,612</b>	-
Gain on disposals of:				
- available-for-sale securities	<b>299</b>	-	<b>299</b>	-
- investment properties	-	3,445	<b>299</b>	4,236
- plant and equipment	<b>2</b>	19	<b>24</b>	49
Gain on fair valuation of securities at fair value through profit or loss	-	12	<b>127</b>	36
Gain on foreign exchange transactions	<b>1,933</b>	202	<b>2,343</b>	340
Gain on foreign exchange translations	-	55	-	176
Interest income	<b>5,346</b>	3,325	<b>10,410</b>	8,662
Recovery of bad debts	-	158	<b>1,638</b>	105
Write back of allowance for impairment losses on:				
- capital financing:				
- collective assessment	<b>1</b>	-	<b>32</b>	-
- individual assessment	<b>2</b>	187	<b>4,257</b>	2,719
- trade receivables:				
- individual assessment	<b>183</b>	126	<b>755</b>	126
(iv) <u>Administrative expenses</u>				
Depreciation and amortisation	<b>(5,964)</b>	(6,243)	<b>(18,001)</b>	(18,402)

\* The Share Subscription as disclosed in A8(f) resulted in a dilution of equity interest in YPC. The gain on deemed disposal comprised the difference between the fair value of interest retained and the carrying value of investment of RM137.01 million as well as realisation of foreign exchange reverse of RM40.60 million.



**QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**B13. Items included in the Statements of Profit or Loss and Statements of Comprehensive Income (Cont'd)**

	<b>Current quarter ended 30.9.2017 RM'000</b>	Comparative quarter ended 30.9.2016 RM'000	<b>Current year to date ended 30.9.2017 RM'000</b>	Preceding year to date ended 30.9.2016 RM'000
<b>Profit before tax is arrived at after crediting/(charging):</b>				
(v) <u>Other items of expense</u>				
Impairment losses on:				
- capital financing:				
- individual assessment	<b>(196)</b>	(12)	<b>(202)</b>	(18)
- trade and other receivables:				
- individual assessment	<b>(549)</b>	(2,791)	<b>(1,367)</b>	(1,823)
Loss on disposals of:				
- intangible asset	<b>(57)</b>	-	<b>(79)</b>	-
- plant and equipment	<b>(200)</b>	(20)	<b>(203)</b>	(73)
Loss on fair valuation of securities at fair value through profit or loss	-	-	-	(7)
Loss on foreign exchange transactions	<b>(60)</b>	-	<b>(61)</b>	(3)
Loss on foreign exchange translations	-	-	<b>(121)</b>	-
Write off of:				
- bad debts on trade and other receivables	-	-	<b>(214)</b>	-
- plant and equipment	-	(62)	<b>(189)</b>	(305)
(vi) <u>Finance costs</u>				
- Interest expense	<b>(18,481)</b>	(17,985)	<b>(55,733)</b>	(56,038)

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 2017****B14. Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements**

The breakdown of the retained profits of the Group into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	<b>As at 30.9.2017 RM'000</b>	<b>As at 31.12.2016 RM'000</b>
Total retained profits of the Company and its subsidiary companies		
- Realised	<b>2,532,990</b>	2,346,605
- Unrealised	<b>99,920</b>	127,176
	<b><u>2,632,910</u></b>	<u>2,473,781</u>
Total share of retained profits from associated companies and a joint venture		
- Realised	<b>777,847</b>	637,712
- Unrealised	<b>(2,965)</b>	(2,909)
	<b><u>774,882</u></b>	<u>634,803</u>
Less : Consolidation adjustments	<b>(719,007)</b>	(703,190)
	<b><u>2,688,785</u></b>	<u>2,405,394</u>

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

**By Order of the Board**

**Tan Sri Ong Leong Huat**  
**Executive Chairman**  
Kuala Lumpur  
27 November 2017