QUARTERLY REPORT FOR THE FOURTH QUARTER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Assets:			
Non-current			
Property, plant and equipment		**605,518**	660,630
Investment properties		**464,780**	451,301
Investments in associated companies and a joint venture		**3,681,201**	3,423,984
Intangible assets		**1,205**	1,461
Right-of-use assets		**78,886**	-
Inventories		**1,198,764**	1,174,439
Deferred tax assets		**93,891**	87,712
Capital financing		**182,629**	132,667
Trade receivables		**26,080**	21,860
Other assets		**882**	4,499
		6,333,836	5,958,553
Current			
Inventories		**355,129**	455,228
Capital financing		**594,557**	433,307
Trade receivables		**254,533**	259,593
Contract assets		**129,742**	299,909
Other assets		**79,238**	120,711
Biological assets		**251**	144
Tax recoverable		**12,038**	36,694
Securities at fair value through profit or loss		**264**	248
Cash, bank balances and short term funds		**585,844**	528,611
		2,011,596	2,134,445
Assets of disposal group classified as held for sale	A8(e)	**21,998**	-
		2,033,594	2,134,445
Total Assets		**8,367,430**	8,092,998

QUARTERLY REPORT FOR THE FOURTH QUARTER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)

	Note	**As at 31.12.2019 RM'000**	As at 31.12.2018 RM'000
Liabilities:			
Non-current			
Medium term notes and Sukuk	A5(c),(d),(e), B8(a)(i)	**1,156,057**	1,069,190
Borrowings	B8(a)(ii)	**237,380**	424,189
Trade payables		**17,543**	20,168
Contract liabilities		**107,131**	135,396
Lease liabilities		**20,801**	-
Other liabilities		**6,469**	5,961
Deferred tax liabilities		**115,546**	119,495
		1,660,927	1,774,399
Current			
Medium term notes and Sukuk	A5(c),(d),(e), B8(a)(i)	**24,871**	40,329
Borrowings	B8(ii)	**960,224**	941,006
Trade payables		**80,079**	116,470
Contract liabilities		**33,516**	38,735
Lease liabilities		**8,894**	-
Tax payable		**11,209**	5,108
Other liabilities		**514,126**	507,419
		1,632,919	1,649,067
Liabilities of disposal group classified as held for sale	A8(e)	**10,135**	-
		1,643,054	1,649,067
Total Liabilities		**3,303,981**	3,423,466
Net Assets		**5,063,449**	4,669,532
Equity:			
Share capital		**2,095,310**	2,095,310
Treasury shares, at cost	A5(a)	**(35,636)**	(30,237)
		2,059,674	2,065,073
Reserves		**2,929,789**	2,532,465
Issued capital and reserves attributable to Owners of the Company		**4,989,463**	4,597,538
Non-controlling interests		**73,986**	71,994
Total Equity		**5,063,449**	4,669,532
Net Assets per share attributable to Owners of the Company (RM)		**2.41**	2.21
Number of outstanding ordinary shares in issue ('000)		**2,071,836**	2,077,200

(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 2018)

QUARTERLY REPORT FOR THE FOURTH QUARTER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**Current quarter ended 31.12.2019**	Comparative quarter ended 31.12.2018	**Current year to date ended 31.12.2019**	Preceding year to date ended 31.12.2018
		RM'000	RM'000	**RM'000**	RM'000
Revenue		**291,530**	317,412	**1,207,523**	1,204,087
Cost of sales		**(147,000)**	(220,968)	**(787,354)**	(862,325)
Gross profit		**144,530**	96,444	**420,169**	341,762
Gain on disposal of hotel properties		**-**	75,945	**-**	93,450
Other income		**9,920**	11,181	**34,196**	28,313
Administrative expenses		**(48,424)**	(52,830)	**(188,842)**	(203,317)
Other expenses		**(4,573)**	(2,633)	**(5,712)**	(21,506)
		101,453	128,107	**259,811**	238,702
Finance costs		**(17,318)**	(21,036)	**(63,875)**	(80,035)
		84,135	107,071	**195,936**	158,667
Share of results of associated companies and a joint venture, net of tax		**69,786**	54,915	**274,592**	236,743
Profit before tax	B13	**153,921**	161,986	**470,528**	395,410
Tax expense	B6	**(21,227)**	(6,403)	**(51,869)**	(43,142)
Profit after tax		**132,694**	155,583	**418,659**	352,268
Profit attributable to:					
Owners of the Company		**130,166**	152,215	**412,003**	346,053
Non-controlling interests		**2,528**	3,368	**6,656**	6,215
		132,694	155,583	**418,659**	352,268
Earnings per share attributable to Owners of the Company (sen):					
Basic	B11(a)	**6.27**	7.33	**19.84**	16.66
Diluted	B11(b)	**6.27**	7.33	**19.84**	16.66

(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 2018)

QUARTERLY REPORT FOR THE FOURTH QUARTER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Current quarter ended 31.12.2019	Comparative quarter ended 31.12.2018	**Current year to date ended 31.12.2019**	Preceding year to date ended 31.12.2018
	RM'000	RM'000	**RM'000**	RM'000
Profit after tax	**132,694**	155,583	**418,659**	352,268
Other comprehensive income/(expenses) for the year, net of tax				
(a) Items of other comprehensive income/(expenses):				
(i) Will be reclassified subsequently to profit or loss when specific conditions are met:				
- *Fair value gain on cash flow hedge*	**-**	-	**-**	99
- *Foreign currency translation*	**(508)**	175	**(486)**	262
(ii) Reclassified to profit or loss:				
- *Fair value of cash flow hedge upon maturity*	**-**	-	**-**	(12)
	(508)	175	**(486)**	349
(b) The share of other comprehensive (expenses)/ income and reserves of associated companies accounted for using equity method:				
(i) Items that will not be reclassified subsequently to profit or loss:				
- *Fair values through other comprehensive income ("FVTOCI") and other reserves*	**(69)**	(884)	**2,425**	2,491
(ii) Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
- *Foreign currency translation reserves*	**(1,588)**	(9,652)	**(6,795)**	(25,951)
- *FVTOCI and other reserves*	**(10,333)**	1,015	**94,407**	776
	(11,990)	(9,521)	**90,037**	(22,684)
Total other comprehensive (expenses)/income for the year, net of tax	**(12,498)**	(9,346)	**89,551**	(22,335)
Total comprehensive income	**120,196**	146,237	**508,210**	329,933
Total comprehensive income attributable to:				
Owners of the Company	**117,541**	143,120	**501,791**	324,675
Non-controlling interests	**2,655**	3,117	**6,419**	5,258
	120,196	146,237	**508,210**	329,933

(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 2018)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Attributable to Owners of the Company								
		Share capital	Treasury shares [Note A5(a)]	Revalua -tion reserve	Foreign currency translation reserves	Other reserves	Retained profits	Total issued share capital and reserves	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1.1.2019										
As per previously reported		2,095,310	(30,237)	63,451	18,265	14,958	2,435,791	4,597,538	71,994	4,669,532
Effects of adoption of MFRS 16 'Leases':	A1(a)(v)									
- subsidiary companies		-	-	-	-	-	(132)	(132)	(7)	(139)
- an associated company		-	-	-	-	-	(310)	(310)	-	(310)
As restated		2,095,310	(30,237)	63,451	18,265	14,958	2,435,349	4,597,096	71,987	4,669,083
Profit after tax		-	-	-	-	-	412,003	412,003	6,656	418,659
Foreign currency translation loss		-	-	-	(471)	-	-	(471)	(15)	(486)
Share of other comprehensive (expenses)/income and reserves of associated companies accounted for using equity method:										
- *Foreign currency translation reserves*		-	-	-	(6,573)	-	-	(6,573)	(222)	(6,795)
- *FVTOCI and other reserves*		-	-	-	-	96,832	-	96,832	-	96,832
Other comprehensive (expenses)/income		-	-	-	(7,044)	96,832	-	89,788	(237)	89,551
Total comprehensive (expenses)/income		-	-	-	(7,044)	96,832	412,003	501,791	6,419	508,210
Dividends paid to:										
- *Owners of the Company*	A6	-	-	-	-	-	(103,860)	(103,860)	-	(103,860)
- *Non-controlling interests*		-	-	-	-	-	-	-	(4,677)	(4,677)
Total distributions to Owners		-	-	-	-	-	(103,860)	(103,860)	(4,677)	(108,537)
Acquisitions of additional interests in a subsidiary company from non-controlling interests:										
- *Accretion of equity interests*	A8(a)(i)	-	-	-	-	-	-	-	(170)	(170)
- *Gain on acquisitions*	A8(a)(i)	-	-	-	-	-	91	91	-	91
Exercise of warrants of a subsidiary company:										
- *Shares issued by a subsidiary company*	A8(a)(ii)	-	-	-	-	-	-	-	171	171
- *Effects of dilution of interests in a subsidiary company*	A8(a)(ii)	-	-	-	-	-	(256)	(256)	256	-
Total changes in ownership interest in a subsidiary company		-	-	-	-	-	(165)	(165)	257	92
Share buybacks by the Company	A5(a)	-	(5,399)	-	-	-	-	(5,399)	-	(5,399)
Total transactions with Owners in their capacity as Owners		-	(5,399)	-	-	-	(104,025)	(109,424)	(4,420)	(113,844)
As at 31.12.2019		2,095,310	(35,636)	63,451	11,221	111,790	2,743,327	4,989,463	73,986	5,063,449

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)

	Attributable to Owners of the Company									
	Share capital	Treasury shares [Note A5(a)]	Revaluation reserve	Foreign currency translation reserves	Hedging reserve	Other reserves	Retained profits	Total issued share capital and reserves	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1.1.2018										
As per previously reported	2,095,310	(30,237)	63,451	42,969	(85)	4,110	2,363,172	4,538,690	68,234	4,606,924
Effects of adoption of MFRS 9 'Financial Instruments':										
- subsidiary companies	-	-	-	-	-	-	(1,553)	(1,553)	(44)	(1,597)
- an associated company	-	-	-	26	-	7,581	(157,787)	(150,180)	-	(150,180)
As restated	2,095,310	(30,237)	63,451	42,995	(85)	11,691	2,203,832	4,386,957	68,190	4,455,147
Profit after tax	-	-	-	-	-	-	346,053	346,053	6,215	352,268
Fair value gain on cash flow hedge	-	-	-	-	97	-	-	97	2	99
Fair value of cash flow hedge reclassified to profit or loss upon maturity	-	-	-	-	(12)	-	-	(12)	-	(12)
Foreign currency translation gain	-	-	-	257	-	-	-	257	5	262
Share of other comprehensive (expenses)/income and reserves of associated companies accounted for using equity method:										
- Foreign currency translation reserves	-	-	-	(24,987)	-	-	-	(24,987)	(964)	(25,951)
- FVTOCI and other reserves	-	-	-	-	-	3,267	-	3,267	-	3,267
Other comprehensive (expenses)/income	-	-	-	(24,730)	85	3,267	-	(21,378)	(957)	(22,335)
Total comprehensive (expenses)/income	-	-	-	(24,730)	85	3,267	346,053	324,675	5,258	329,933
Dividends paid to:										
- Owners of the Company	-	-	-	-	-	-	(114,246)	(114,246)	-	(114,246)
- Non-controlling interests	-	-	-	-	-	-	-	-	(1,007)	(1,007)
Total distributions to Owners	-	-	-	-	-	-	(114,246)	(114,246)	(1,007)	(115,253)
Acquisitions of additional interests in a subsidiary company from non-controlling interests:										
- Accretion of equity interests	-	-	-	-	-	-	-	-	(487)	(487)
- Gain on acquisitions	-	-	-	-	-	-	176	176	-	176
Exercise of warrants of a subsidiary company:										
- Shares issued by a subsidiary company	-	-	-	-	-	-	-	-	16	16
- Effects of dilution of interest in a subsidiary company	-	-	-	-	-	-	(24)	(24)	24	-
Total changes in ownership interest in subsidiary companies	-	-	-	-	-	-	152	152	(447)	(295)
Total transactions with Owners in their capacity as Owners	-	-	-	-	-	-	(114,094)	(114,094)	(1,454)	(115,548)
As at 31.12.2018	2,095,310	(30,237)	63,451	18,265	-	14,958	2,435,791	4,597,538	71,994	4,669,532

(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 2018)

QUARTERLY REPORT FOR THE FOURTH QUARTER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**Current year to date ended 31.12.2019**	Preceding year to date ended 31.12.2018
		RM'000	RM'000
Cash Flows From Operating Activities			
Profit before tax		**470,528**	395,410
Adjustments for:			
Non-cash and non-operating items		**33,846**	(13,523)
Share of results of associated companies and a joint venture		**(274,592)**	(236,743)
Operating profit before working capital changes		**229,782**	145,144
Decrease/(Increase) in operating assets:			
Inventories		**91,194**	138,661
Capital financing		**(210,991)**	(53,088)
Trade receivables		**(1,022)**	32,617
Contract assets		**170,167**	(173,991)
Other assets		**(25,276)**	23,134
(Decrease)/Increase in operating liabilities:			
Trade payables		**(34,554)**	(47,899)
Contract liabilities		**(33,479)**	(54,849)
Other liabilities		**7,833**	43,213
Cash generated from operations		**193,654**	52,942
Income tax paid		**(64,630)**	(88,274)
Income tax refunded		**33,390**	25,582
Interest paid		**(48,616)**	(36,537)
Interest received		**60,984**	50,997
Net cash generated from operating activities		**174,782**	4,710
Cash Flows From Investing Activities			
Acquisitions of additional shares in a subsidiary company from non-controlling interests	A8(a)(i)	**(79)**	(311)
Distribution from an associated company		**3,530**	11,950
Dividends received		**103,574**	71,103
Expenditure incurred on investment properties		**(4,693)**	(2,659)
Funds distribution income received		**10,236**	6,669
Interest received		**7,206**	5,717
Proceeds from disposals of property, plant and equipment		**69,039**	129,508
Purchase of:			
- land held for property development		**-**	(116,213)
- property, plant and equipment		**(27,370)**	(27,901)
- right-of-use assets		**(699)**	-
- software licenses		**(110)**	(98)
Net cash generated from investing activities		**160,634**	77,765

QUARTERLY REPORT FOR THE FOURTH QUARTER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)

	Note	**Current year to date ended 31.12.2019 RM'000**	Preceding year to date ended 31.12.2018 RM'000
Cash Flows From Financing Activities			
Dividends paid to:			
- Owners of the Company	A6	**(103,860)**	(114,246)
- non-controlling interests		**(4,677)**	(1,007)
Drawdown of:			
- loans		**104,325**	223,600
- revolving credits - net		**99,246**	177,070
Expenses incurred on borrowings, medium term notes and Sukuk		**(2,536)**	(3,589)
Interest paid		**(60,255)**	(75,465)
Listing expenses		**(920)**	(10,872)
Payment of lease liabilities		**(3,850)**	-
Proceeds from:			
- exercise of warrants of a subsidiary company	A8(a)(ii)	**171**	16
- issuance of medium term notes and Sukuk	A5(d)(i),(e)	**464,200**	513,971
Redemption of medium term notes	A5(c),(d)(i)	**(393,315)**	(242,407)
Repayment of loans		**(366,303)**	(445,775)
Share buybacks	A5(a)	**(5,399)**	-
Net cash (used in)/generated from financing activities		**(273,173)**	21,296
Net increase in cash and cash equivalents		**62,243**	103,771
Effects of exchange rate changes		**(528)**	400
Cash and cash equivalents at the beginning of the year		**528,329**	424,158
Cash and cash equivalents at the end of the year		**590,044**	528,329
Cash and cash equivalents comprised:			
Cash, bank balances and short term funds		**585,844**	528,611
Bank overdrafts		**(63)**	(282)
Cash and cash equivalents of disposal group classified as held for sale		**4,263**	-
		590,044	528,329

(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 2018)

Explanatory notes to Quarterly Report for the current year to date ended 31 December 2019

The unaudited interim financial report ("the quarterly report"), a condensed consolidated financial statement of the Group, 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 ("Bursa Securities")

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

A1. Basis of preparation

This quarterly report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2018 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 2018.

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 2018.

(a) The Group adopted the following amendments to published standards and interpretation to the existing MFRSs and standard issued by MASB that are applicable and effective for the Group's financial year beginning on 1 January 2019:

(i) IC Interpretation 23 'Uncertainty over Income Tax Treatments'

IC Interpretation 23 'Uncertainty over Income Tax Treatments' clarifies the application on the recognition and measurement requirements in MFRS 112 'Income Taxes' when there is uncertainty over income tax treatments. In the circumstance of uncertainty over income tax treatment, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in MFRS 112 'Income Taxes' 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.

(ii) Amendments to MFRS 9 'Financial Instruments'

Amendments to MFRS 9 'Financial Instruments' allow companies to measure prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if certain conditions are met. The Group has no prepayable financial assets, hence Amendments to MFRS 9 'Financial Instruments' has no impact to the Group.

(iii) Amendments to MFRS 128 'Investments in Associates and Joint Ventures'

Amendments to MFRS 128 'Investments in Associates and Joint Ventures' clarify that companies shall apply MFRS 9, including its impairment requirements, to account for long-term interests in an associate or joint venture that, in substance, form part of the net investment in the associate or joint venture to which the equity method is not applied.

A1. Basis of preparation (Cont'd)

(a) The Group adopted the following amendments to published standards and interpretation to the existing MFRSs and standard issued by MASB that are applicable and effective for the Group's financial year beginning on 1 January 2019: (Cont'd)

(iv) Annual Improvements to MFRS Standards 2015-2017 Cycle

Annual Improvements to MFRS Standards 2015-2017 Cycle cover minor amendments to MFRS 3 'Business Combinations', MFRS 11 'Joint Arrangements', and MFRS 112 'Income Taxes' and MFRS 123 'Borrowing Costs'.

MFRS 3 'Business Combinations' has been amended to clarify that when a party to a joint arrangement (as defined in MFRS 11 'Joint Arrangements') obtains control of a business that is a joint operation (as defined in MFRS 11), and had rights to the assets and obligations for the liabilities relating to that joint operation immediately before the acquisition date, the transaction is a business combination achieved in stages. The acquirer shall therefore apply the requirements for a business combination achieved in stages, including remeasuring its previously held interest in the joint operation. In doing so, the acquirer shall remeasure its entire previously held interest in the joint operation.

MFRS 11 'Joint Arrangements' has been amended to clarify that a party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in MFRS 3. In such cases, previously held interests in the joint operation are not remeasured.

MFRS 112 'Income Taxes' has been amended to clarify an entity shall recognise the income tax consequences of dividends as defined in MFRS 9 when it recognises a liability to pay a dividend and an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

MFRS 123 'Borrowing Costs' has been amended to clarify that to the extent that an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the period. However, an entity shall exclude from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that an entity capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period.

The adoption of the above interpretation, amendments to published standards and improvement do not have any material financial impact to the Group.

A1. Basis of preparation (Cont'd)

(a) The Group adopted the following amendments to published standards and interpretation to the existing MFRSs and standard issued by MASB that are applicable and effective for the Group's financial year beginning on 1 January 2019: (Cont'd)

(v) MFRS 16 'Leases'

MFRS 16 'Leases' supersedes MFRS 117 'Leases' and its related interpretations. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the financial statements.

MFRS 16 introduces a new model for lessee accounting which eliminates the distinction between finance and operating leases. MFRS 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months. Off-balance sheet lease commitment disclosed previously is required to be accounted based on rights and obligations approach under MFRS 16. For lessors, it is substantially unchanged from MFRS 117. Lessors would continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have any material impact for leases for which the Group is the lessor.

The adoption of MFRS 16 constitutes a change in accounting policy and the Group has applied this standard to its leases retrospectively with the cumulative effect of initial application of MFRS 16 is recognised in retained profits as at 1 January 2019 in accordance with the transition requirements. As such, the comparative figures of the report remained unchanged.

Upon adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of the Group as of 1 January 2019. The range of incremental borrowing rates of the Group applied to the lease liabilities on 1 January 2019 were between 3.80% to 6.50% per annum.

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the financial statements as at 31 December 2018.

The effects of adoption of MFRS 16 for the Group on items of the Statement of Financial Position as at 1 January 2019 are as follows:

Statement of Financial Position	**As at 31.12.2018**	**Effects of adoption of MFRS 16**	**As at 1.1.2019**
	RM'000	**RM'000**	**RM'000**
Assets			
Property, plant and equipment	660,630	(50,418)	610,212
Right-of-use assets	-	51,738	51,738
Investment in associated companies and a joint venture	3,423,984	(310)	3,423,674
Liabilities			
Lease liabilities	-	1,459	1,459
Equity			
Retained profits	2,435,791	(442)	2,435,349
Non-controlling interests	71,994	(7)	71,987

A1. Basis of preparation (Cont'd)

(b) 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 the current financial year:

(i) For financial year beginning on/after 1 January 2020

(1) Revised Conceptual Framework

The following Standards have been amended to update the references and quotations in these Standards according to the revised Conceptual Framework:

Amendments to:	
MFRS 2	Share-Based Payment
MFRS 3	Business Combinations
MFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 14	Regulatory Deferral Accounts
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 134	Interim Financial Reporting
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
IC Interpretation 132	Intangible Assets - Web Site Costs

(2) Amendments to MFRS 3 'Business Combination'

Amendments to MFRS 3 'Business Combination' clarify the definition of a business to assist the entity to determine whether a transaction should be accounted for as a business combination or as an asset acquisition where an acquirer does not recognise goodwill in an asset acquisition.

(3) Amendments to MFRS 101 'Presentation of Financial Statements' and MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors'

Amendments to MFRS 101 'Presentation of Financial Statements' and MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors' clarify the definition of 'Material' and to align the definition used in the revised Conceptual Framework and the standards themselves. The definition of 'material' is refined by including 'obscuring information' to respond to concerns that the effect of including immaterial information should not reduce the understandability of a company’s financial statements.

The adoption of these amendments is not expected to have any material financial impact to the Group.

A1. Basis of preparation (Cont'd)

(b) 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 the current financial year: (Cont'd)

(ii) Standard deferred to a date to be determined by MASB

Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The amendments clarify that gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture and gains and losses resulting from transactions involving the sale or contribution to an associate or a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by MASB. Earlier application is permitted.

A2. Seasonality or cyclicality of interim operations

The performance of the Hotels and Resorts division of the Group is dependant on holiday seasons. The other business operations of the Group for the current year to date were not affected by any seasonal or cyclical factors.

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

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

A4. Changes in estimates of amounts reported previously

There were no significant changes in estimates of amounts reported in prior interim periods or prior years that have a material effect during the current year to date.

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:

	Number of shares	Highest price	Lowest price	Average cost includes transaction costs	Total amount paid
	'000	RM	RM	RM	RM'000
As at 1.1.2019	18,100	2.82	0.90	1.67	30,237
Share buybacks in December 2019	5,364	1.04	0.95	1.01	5,399
As at 31.12.2019	23,464	2.82	0.90	1.52	35,636

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

(b) Warrants C 2015/2020

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

There were no Warrants C 2015/2020 being exercised during the current year to date ended 31 December 2019.

The stock name, stock code and ISIN code of the Warrants C 2015/2020 are "OSK-WC", "5053WC" and "MYL5053WCU71" respectively. The main features of Warrants C 2015/2020 are as follows:

(i) Each warrant entitles the holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM1.80 at any time during normal business hours up to 5.00 pm on or before 22 July 2020.

On 29 November 2017, the Company issued 118,856,788 additional Warrants C 2015/2020 based on one (1) additional Warrants C for two (2) existing Warrants C held and the exercise price adjusted from RM1.80 to RM1.20 pursuant to the bonus shares as issued on 29 November 2017. In accordance with Condition 3(i) of the Third Schedule of the Deed Poll dated 7 July 2015 constituting the Warrants C 2015/2020 provides that the exercise price and/or the number of warrants shall from time to time be adjusted, calculated or determined by the Board.

The adjustments to the exercise price and number of the outstanding Warrants C pursuant to the Bonus Issue is set out below:

	Before the Bonus Issue	After the Bonus Issue
Exercise price (RM)	1.80	1.20
Number of outstanding Warrants C 2015/2020	237,720,377	356,577,165

(ii) Full provisions regarding the transferability of Warrants C 2015/2020 to new ordinary shares, adjustment of the exercise price in certain circumstances, quotation on Bursa Securities and other terms and conditions pertaining to the Warrants C 2015/2020 are set out in details in a Deed Poll executed by the Company on 7 July 2015. The Deed Poll is available for inspection at the registered office of the Company.

As at 31.12.2019, the total number of Warrants C 2015/2020 which remained unexercised was 356,577,165 (31.12.2018: 356,577,165).

(c) Medium Term Note Programme ("MTN 1") for the issuance of medium term notes of up to RM990.00 million in nominal value

On 15 October 2015, the Company lodged with the Securities Commission Malaysia ("SC") all the required information and relevant documents relating to the MTN 1 pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. The MTN 1 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 1 is unrated and has a tenure of fifteen (15) years from the date of its first issuance.

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

(c) Medium Term Note Programme ("MTN 1") for the issuance of medium term notes of up to RM990.00 million in nominal value (Cont'd)

During the previous years, the Company issued a total of RM940.11 million of MTN 1 with maturities commencing from year 2017 to 2022 and redeemable every 6 months commencing 18 and 30 months after the first issuance date. The MTN 1 was subsequently redeemed a total of RM323.91 million.

On 30 January 2019, the Company redeemed a total of RM350.00 million of MTN 1. As at 31 December 2019, the outstanding amount of MTN 1 stood at RM266.21 million.

The terms of MTN 1 contain various covenants, including the following:

(i) the Group shall maintain a gearing ratio of not exceeding 1.50 times throughout the tenure of the MTN 1.
(ii) the Company shall maintain a security cover ratio of not less than 1.50 times throughout the tenure of the MTN 1.
(iii) the Company shall maintain a Debt Service Reserve Account ("DSRA") with a minimum amount equivalent to one month interest payment. 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.

MTN 1 is secured by:

(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 rights (including rights to sue), title, interest and benefit in and under the DSRA and Disbursement Account and all monies standing to the credit thereto.

(d) Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN 2") both programmes for the issuance of medium term notes and Sukuk with a combined limit up to RM1.80 billion in nominal value

On 9 March 2018, OSK I CM Sdn. Bhd. ("OSKICM"), a wholly-owned subsidiary company of the Company, lodged a Sukuk 1 with the SC. On 20 April 2018, OSKICM lodged MTN 2 and re-lodged the Sukuk 1 with the SC all the required information and relevant documents pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. Both Sukuk 1 and MTN 2 are unrated and tradeable with a combined limit of up to RM1.80 billion and have a perpetual tenure.

The programmes will give OSKICM the flexibility to raise funds via the issuance of Sukuk 1 or MTN 2, which can be utilised for working capital requirements and repayments of the Group's borrowings.

(i) Tranche 1 and 2 of MTN 2

During the previous year, OSKICM issued a total of RM250.00 million of Tranche 1 of MTN 2 with maturities commencing from year 2023 to 2028 and redeemable every 12 months commencing 12 months after the first issuance date. The Tranche 1 of MTN 2 was subsequently redeemed a total of RM17.50 million.

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

(d) Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN 2") both programmes for the issuance of medium term notes and Sukuk with a combined limit up to RM1.80 billion in nominal value (Cont'd)

(i) Tranche 1 and 2 of MTN 2 (Cont'd)

On 30 January 2019, OSKICM issued Tranche 2 of MTN 2 of RM200.00 million in 7 series with maturities commencing from year 2020 to 2026, redeemable every 12 months commencing 12 months after the first issuance date.

On 30 May 2019, 17 June 2019 and 30 October 2019, OSKICM redeemed RM23.60 million of Tranche 1 of MTN 2 and RM19.72 million of Tranche 2 of MTN 2. As at 31 December 2019, the outstanding Tranche 1 of MTN 2 and Tranche 2 of MTN 2 stood at RM208.90 million and RM180.29 million respectively.

Both Tranche 1 and 2 of MTN 2 require a Security Cover of not less than 2.0 times and are secured by:

(a) shares in an associated company of the Company ("Tranche 1 and 2 Pledged Shares"); and
(b) all its rights, titles, interests and benefits in and under the share proceeds account ("PA") for Tranche 1 and 2 ("Tranche 1 and 2 PA") maintained by the Company and all monies from time to time standing to the credit thereto (this proceeds account mainly to capture dividend income receivable from an associated company).

(ii) Tranche 2 of Sukuk 1

During the previous year, OSKICM issued a total of RM92.97 million with maturities commencing from year 2021 to 2024 and redeemable every 3 months commencing 36 months after the first issuance date.

There were no redemption of Tranche 2 of Sukuk 1 during the current year to date ended 31 December 2019. As at 31 December 2019, the outstanding Tranche 2 of Sukuk 1 stood at RM92.97 million.

The Tranche 2 of Sukuk 1 is secured by:

(a) all its rights, titles, interests and benefits in and under the operating account for Tranche 2 ("Tranche 2 Operating Account") maintained by OSKICM and all monies from time to time standing to the credit thereto;
(b) all its rights, titles, interests and benefits in and under the Finance Service Reserve Account ("FSRA") and Tranche 2 Operating Account maintained by Perspektif Vista Sdn. Bhd. ("PV"), a subsidiary company of OSK Property Holdings Berhad ("OSKPH"), which in turn is a subsidiary company of the Company and all monies from time to time standing to the credit thereto;
(c) a development land charge under the provisions of the National Land Code 1965;
(d) a debenture creating a first ranking fixed and floating charge over all its present and future assets in respect of the project; and
(e) PV shall maintain a FSRA of a minimum amount equivalent to three (3) periodic profit payments.

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

(d) Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN 2") both programmes for the issuance of medium term notes and Sukuk with a combined limit up to RM1.80 billion in nominal value (Cont'd)

(iii) Tranche 3 of Sukuk 1

During the previous year, OSKICM issued Tranche 3 of Sukuk 1 of RM170.00 million with maturities commencing from year 2021 to 2025 and redeemable every 6 months commencing 36 months after the first issuance date.

There were no redemption of Tranche 3 of Sukuk 1 during the current year to date ended 31 December 2019. As at 31 December 2019, the outstanding Tranche 3 of Sukuk 1 stood at RM170.00 million.

The Tranche 3 of Sukuk 1 requires a Security Cover of not less than 1.5 times and is secured by:

(a) shares in certain subsidiary companies ("Pledged Shares");
(b) all its rights, titles, interests and benefits in and under the shares proceeds account for Tranche 3 ("Tranche 3 PA") maintained by the Company and all monies from time to time standing to the credit thereto (this proceeds account mainly to capture dividend income receivable from certain subsidiary companies);
(c) all its rights, titles, interests and benefits in and under FSRA and operating account maintained by OSKICM and all monies from time to time standing to the credit thereto; and
(d) the OSKICM shall maintain a FSRA of a minimum amount equivalent to one periodic profit payment.

The terms of Sukuk 1 and MTN 2 contain various covenants, including the following:

(i) the Group shall maintain a gearing ratio of not exceeding 1.50 times at all times throughout the tenure of the Programme.
(ii) OSKICM, shall set up or procure Trustees' Reimbursement Account with RM30,000.00 each in respect of Sukuk 1 and MTN 2 which shall be maintained at all times throughout the tenure of the Programme.

(e) Medium Term Note Programme ("MTN 3") for the issuance of medium term notes of up to RM980.00 million in nominal value

On 25 April 2019, OSKICM lodged a MTN 3 with the SC all the required information and relevant documents pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. MTN 3 are unrated and tradeable with a limit of up to RM980.00 million and have a perpetual tenure.

The proceeds raised from the issuance of the MTN 3 shall be utilised by OSKICM and the Group for (i) Investment activities; (ii) Capital expenditure; (iii) Working capital requirements; (iv) General corporate exercise; and (v) Refinancing of existing borrowings.

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

(e) Medium Term Note Programme ("MTN 3") for the issuance of medium term notes of up to RM980.00 million in nominal value (Cont'd)

(i) Tranche 1 of MTN 3

On 10 May 2019, OSKICM issued Tranche 1 of MTN 3 of RM164.20 million in 15 series with maturities commencing from year 2020 to 2034, redeemable every 12 months commencing 12 months after the first issuance date. As at 31 December 2019, the outstanding amount of Tranche 1 of MTN 3 stood at RM164.20 million.

The Tranche 1 of MTN 3 is secured by:

(a) all its rights, titles, interests and benefits to and in, amongst others:

(1) the Atria Mall Revenue Account and Carpark Revenue Account ("Revenue Accounts") maintained by Atria Shopping Gallery Sdn. Bhd. ("ASG") and Atria Parking Management Sdn. Bhd. ("APM") respectively, subsidiary companies of OSKPH, which in turn are subsidiary companies of the Company and all monies from time to time standing to the credit thereto;
(2) Atria Mall Rental Proceed and Carpark Rental Proceed ("Rental Proceeds") maintained by ASG and APM respectively, and all monies from time to time standing to the credit thereto;
(3) the Debt Service Reserve Account ("DSRA") maintained by ASG and all monies from time to time standing to the credit thereto;
(4) the Insurances of ASG and APM;
(5) the Atria Mall and Carpark under the Sale and Purchase Agreement entered between ASG, APM and Atria Damansara Sdn. Bhd. ("AD"), a subsidiary company of OSKPH, which in turn is a subsidiary company of the Company;

(b) debentures by ASG and APM creating a first fixed charge over Atria Mall and Carpark respectively, all fixtures, fittings, equipment, machinery, systems and all other appurtenant thereto both present and future affixed to or installed in or within Atria Mall and Carpark; and

(c) a piece of land owned by AD together with all buildings and fixtures erected thereon, charge under the provisions of the National Land Code 1965.

(ii) Tranche 2 of MTN 3

On 30 September 2019, OSKICM issued Tranche 2 of MTN 3 of RM100.00 million and redeemable after 5 years from the issuance date of tranche 2. As at 31 December 2019, the outstanding amount of Tranche 2 of MTN 3 stood at RM100.00 million.

The Tranche 2 of MTN 3 is secured by:

(a) first party legal charge by the way of Memorandum of Deposit with Power of Attorney over shares of an associated company of the Company;
(b) all its rights, titles, interests and benefits to and in the DSRA maintained by OSKICM and all monies from time to time standing to the credit thereto; and
(c) OSKICM shall maintain a minimum amount equivalent to one month coupon payment in the DSRA.

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

(e) Medium Term Note Programme ("MTN 3") for the issuance of medium term notes of up to RM980.00 million in nominal value (Cont'd)

The terms of the MTN 3 contain various covenants, including the following:

(i) the Group shall maintain a gearing ratio of not exceeding 1.50 times throughout the tenure of the Programme.
(ii) OSKICM shall set up or procure Trustees' Reimbursement Account with a sum of RM30,000.00 in respect of MTN 3 which shall be maintained at all times throughout the tenure of the Programme.

The issuances and redemptions for the current year to date and the outstanding MTNs and Sukuk, the DSRA, FSRA and PA balances as at 31 December 2019 are summarised as follows:

		For current year to date		As at 31 December 2019			
		Issuance RM'000	Redemption RM'000	Outstanding amounts RM'000	DSRA balances RM'000	FSRA balances RM'000	PA balances RM'000
(1)	MTN 1	-	350,000	266,206	4,097	-	-
(2)	Tranche 1 of MTN 2	-	23,600	208,900	-	-	32
(3)	Tranche 2 of MTN 2	200,000	19,715	180,285	-	-	23
(4)	Tranche 2 of Sukuk 1	-	-	92,971	-	1,188	-
(5)	Tranche 3 of Sukuk 1	-	-	170,000	-	721	36
(6)	Tranche 1 of MTN 3	164,200	-	164,200	692	-	-
(7)	Tranche 2 of MTN 3	100,000	-	100,000	368	-	-
		464,200	393,315	1,182,562	5,157	1,909	91
	Less: Unamortised issuance expenses			(1,634)			
				1,180,928			

The interest rates of MTNs and profit rates of Sukuk 1 were ranging from 4.28% to 5.13% per annum.

A6. Dividends paid during the current year to date

31 December 2019	Interim	Final	Total
For the year ended 31 December	2019	2018	
Amount per share (sen)	2.0	3.0	5.0
Number of ordinary share ('000)	2,077,200	2,077,200	
Dividend paid (RM'000)	41,544	62,316	103,860
Payment date	3.10.2019	23.5.2019	

31 December 2018	Interim	Final	Total
For the year ended 31 December	2018	2017	
Amount per share (sen)	2.0	3.5	5.5
Number of ordinary share ('000)	2,077,200	2,077,200	
Dividend paid (RM'000)	41,544	72,702	114,246
Payment date	10.10.2018	13.6.2018	

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

A7. Segmental information

The Group's businesses are organised into five (5) core business segments, based on the nature of the products and services, which operating results are regularly reviewed by the chief operating decision makers comprising the Board of Directors and senior management of the Group to make decisions about resources allocation to the segment and assess its performance. The core business segments are as follows:

(a) Property

(i) Property Development – Development of residential and commercial properties for sale, provision of project management services and sharing of results of associated companies which are involved in property development activities.

(ii) Property Investment and Management – Management and letting of properties, contributing rental yield and appreciation of properties and sharing of results of an associated company and a joint venture which dealt with letting of office space and retails space.

(b) Construction – Building construction revenue derived from the property development projects carried out.

(c) Industries

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

(ii) Acotec - Industrialised Building System ("IBS") – Manufacturing and sale of IBS concrete wall panels and trading of building materials.

(d) Hospitality

(i) Hotels and Resorts under Swiss-Garden – Management and operation of hotels and resorts, including golf course operations, for room rental, food and beverage revenue and fee income.

(ii) SGI Vacation Club – Management of vacation timeshare membership fee income.

(e) Financial Services

(i) Capital Financing – Financing activities include generating interest, fee and related income on loans and financing portfolio.

(ii) Investment Holding – Investing activities and other insignificant business segments, where investments contribute dividend income and interest income as well as sharing of results of an associated company which engaged in financial services business.

Business segment performance is evaluated based on operating profit or loss which in certain aspects are measured differently from profits or loss in the consolidated financial statements.

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 with terms mutually agreed between the segments and have been eliminated to arrive at the Group's results. During the current year to date, there is no single external customer amounted to ten percent or more of the Group's revenue.

Basis of segmentation and related measurement of segment revenue, results, assets and liabilities have no material changes as compared with previous year, other than comparative figures of segment results which have been reclassified to conform with current year's presentation to reflect its nature of business activities involved. Such reclassifications merely improve disclosure of business performance and do not have any financial impact to the Group.

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A7. Segmental information (Cont'd)

(a) Business segment analysis

The following table provides an analysis of the Group's revenue and results by five (5) core business segments:

	Property	Construction	Industries	Hospitality	Financial Services	Consolidated
Current year to date ended 31.12.2019	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue						
Total revenue	**759,337**	**250,088**	**297,067**	**84,075**	**644,910**	**2,035,477**
Inter-segment revenue	**(4,508)**	**(249,547)**	**(7,515)**	**(590)**	**(44,339)**	**(306,499)**
Dividends from:						
- subsidiary companies	**-**	**-**	**-**	**-**	**(417,881)**	**(417,881)**
- an associated company	**-**	**-**	**-**	**-**	**(103,574)**	**(103,574)**
Revenue from external parties	**754,829**	**541**	**289,552**	**83,485**	**79,116**	**1,207,523**
Results						
Segment profit/(loss)	**165,579**	**4,852**	**27,778**	**(6,311)**	**2,962**	**194,860**
Share of results of associated companies and a joint venture	**40,480**	**-**	**-**	**-**	**234,112**	**274,592**
	206,059	**4,852**	**27,778**	**(6,311)**	**237,074**	**469,452**
Realisation of profit upon completion of sale/(Elimination of unrealised profit)	**-**	**3,631**	**-**	**-**	**(2,555)**	**1,076**
Profit/(Loss) before tax	**206,059**	**8,483**	**27,778**	**(6,311)**	**234,519**	**470,528**
Tax (expense)/income	**(34,163)**	**(1,175)**	**(6,418)**	**785**	**(10,898)**	**(51,869)**
Profit/(Loss) after tax	**171,896**	**7,308**	**21,360**	**(5,526)**	**223,621**	**418,659**
Preceding year to date ended 31.12.2018						
Revenue						
Total revenue	724,645	281,591	294,595	112,814	414,102	1,827,747
Inter-segment revenue	(3,797)	(270,545)	(1,590)	(421)	(15,896)	(292,249)
Dividends from:						
- subsidiary companies	-	-	-	-	(260,331)	(260,331)
- an associated company	-	-	-	-	(71,080)	(71,080)
Revenue from external parties	720,848	11,046	293,005	112,393	66,795	1,204,087
Results						
Segment profit/(loss)	83,713	9,556	25,928	(9,647)	(39,446)	70,104
Gain on disposal of hotel properties	-	-	-	93,450	-	93,450
Share of results of associated companies and a joint venture	21,621	-	-	-	215,122	236,743
	105,334	9,556	25,928	83,803	175,676	400,297
Realisation of profit upon completion of sale/(Elimination of unrealised profit)	-	2,550	-	-	(7,437)	(4,887)
Profit before tax	105,334	12,106	25,928	83,803	168,239	395,410
Tax expense	(21,419)	(2,765)	(6,153)	(4,932)	(7,873)	(43,142)
Profit after tax	83,915	9,341	19,775	78,871	160,366	352,268
Comparison of profit/(loss) before tax:						
Increase/(Decrease) in profit/(loss) before tax	100,725	(3,623)	1,850	(90,114)	66,280	75,118
% of increase/(decrease)	96%	(30%)	7%	(>100%)	39%	19%

A7. Segmental information (Cont'd)

(a) Business segment analysis (Cont'd)

The following table provides an analysis of the Group's assets and liabilities by five (5) core business segments:

	Property	Construction	Industries	Hospitality	Financial Services	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31.12.2019						
Assets						
Tangible assets	**2,991,765**	**39,214**	**195,527**	**376,165**	**954,426**	**4,557,097**
Intangible assets	**364**	**-**	**-**	**-**	**841**	**1,205**
	2,992,129	**39,214**	**195,527**	**376,165**	**955,267**	**4,558,302**
Investments in associated companies and a joint venture	**552,649**	**-**	**-**	**-**	**3,128,552**	**3,681,201**
Assets of disposal group classified as held for sale	**-**	**-**	**21,998**	**-**	**-**	**21,998**
Segment assets	**3,544,778**	**39,214**	**217,525**	**376,165**	**4,083,819**	**8,261,501**
Deferred tax assets and tax recoverable						**105,929**
Total assets						**8,367,430**
Liabilities						
Other segment liabilities	**1,419,344**	**68,044**	**29,740**	**253,336**	**1,396,627**	**3,167,091**
Liabilities of disposal group classified as held for sale	**-**	**-**	**10,135**	**-**	**-**	**10,135**
Segment liabilities	**1,419,344**	**68,044**	**39,875**	**253,336**	**1,396,627**	**3,177,226**
Deferred tax liabilities and tax payable						**126,755**
Total liabilities						**3,303,981**
As at 31.12.2018						
Assets						
Tangible assets	2,942,688	71,136	228,413	555,298	745,612	4,543,147
Intangible assets	414	-	-	-	1,047	1,461
	2,943,102	71,136	228,413	555,298	746,659	4,544,608
Investments in associated companies and a joint venture	519,429	-	-	-	2,904,555	3,423,984
Segment assets	3,462,531	71,136	228,413	555,298	3,651,214	7,968,592
Deferred tax assets and tax recoverable						124,406
Total assets						8,092,998
Liabilities						
Segment liabilities	1,457,361	112,396	49,077	278,923	1,401,106	3,298,863
Deferred tax liabilities and tax payable						124,603
Total liabilities						3,423,466
Comparison of segment assets and liabilities:						
Increase/(Decrease) in segment assets	82,247	(31,922)	(10,888)	(179,133)	432,605	292,909
% of increase/(decrease)	2%	(45%)	(5%)	(32%)	12%	4%
Decrease in segment liabilities	(38,017)	(44,352)	(9,202)	(25,587)	(4,479)	(121,637)
% of decrease	(3%)	(39%)	(19%)	(9%)	(<1%)	(4%)

A7. Segmental information (Cont'd)

(b) Geographical segments analysis

The Group's operations are mainly based in Malaysia (for all the five (5) core businesses), Australia (Property Development and Property Investment) and Vietnam (Cables). Other geographical segments mainly include investment holding entities in Singapore, British Virgin Islands and Cayman Islands.

The following table provides an analysis of the Group's revenue, results and non-current assets by geographical segments:

	Malaysia	Australia	Vietnam	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Current year to date ended 31.12.2019					
Revenue	**1,168,300**	**-**	**39,223**	**-**	**1,207,523**
Profit/(Loss) before tax	**469,446**	**739**	**393**	**(50)**	**470,528**
Preceding year to date ended 31.12.2018					
Revenue	1,165,454	301	38,332	-	1,204,087
Profit/(Loss) before tax	384,774	11,785 *	(745)	(404)	395,410
As at 31.12.2019					
Non-current assets ^	**2,349,153**	**-**	**-**	**-**	**2,349,153**
As at 31.12.2018					
Non-current assets ^	2,282,416	-	5,415	-	2,287,831

^ Non-current assets exclude financial instruments, deferred tax assets and investments in associated companies and a joint venture.

* Included gain on disposal of hotel property of RM17.51 million.

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

(a) Changes in equity interests in PJ Development Holdings Berhad ("PJDH")

(i) Acquisitions of additional equity interests from non-controlling interests of PJDH, a subsidiary company of the Company

During the current year to date, the Company acquired the following ordinary shares of PJDH:

	Shares
Number of units	66,200
Average price per share (RM)	1.20
Total purchase consideration (RM)	79,440

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

	RM'000
Net assets acquired from non-controlling interests	(170)
Gains on consolidation recognised in equity	91
Cash outflow on acquisitions of additional ordinary shares in PJDH	(79)

(ii) Issuance of 171,400 PJDH's ordinary shares pursuant to conversion of PJDH's Warrants C

During the current year to date, PJDH issued 171,400 new ordinary shares for cash pursuant to the exercise of warrants at an exercise price of RM1.00 cash for the equivalent numbers by the registered holders. The effects of the new issuance of ordinary shares in PJDH are as follows:

	RM'000
Net assets upon issuance of new ordinary shares	427
Loss on consolidation recognised in equity	(256)
Cash inflow on exercise of warrants in PJDH	171

According to the (i) and (ii) above, the Company's effective interest in:

- PJDH's ordinary shares decreased from 96.96% to 96.94%; and
- PJDH's warrants increased from 91.88% to 91.99%.

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

(b) Acquisition of OSK Design Sdn. Bhd. ("OSKD") (f.k.a. Evolusi Esplanad Sdn. Bhd.) and OSK Building Materials Sdn. Bhd. ("OSKBM") (f.k.a. Pinggiran Prestasi Sdn. Bhd.)

On 26 June 2019, PJDH, a subsidiary company of the Company acquired 100% equity interests in OSKD and OSKBM for a total consideration of RM2.00 for each company. The issued and paid up capital of both companies are RM2.00 comprising of 2 ordinary shares for each company.

On 15 July 2019, OSKBM changed its name to OSK Supplies Sdn. Bhd. ("OSKS").

On 19 September 2019, the Company acquired 100% equity interests in OSKD and OSKS for a total consideration of RM2.00 for each company. The acquisition do not have any material financial impact to the Group.

On 30 September 2019, the Company subscribed for 749,998 and 299,998 new ordinary shares in OSKD and OSKS at total cash of RM749,998 and RM299,998 respectively. Accordingly, the issued and paid up ordinary share capital of OSKD and OSKS increased from RM2 to RM750,000 and RM300,000 respectively. These capital injections were for working capital purpose. The equity interest in OSKD and OSKS remained at 100%.

(c) Striking off of dormant companies

On 22 July 2019, Dikir Venture Sdn. Bhd. ("DV") and Perspektif Pertama Sdn. Bhd. ("PP"), both dormant companies and wholly-owned subsidiary companies of OSKPH, which in turn are subsidiary companies of the Company, had been struck off from the register and dissolved following the publication of the notice of striking off pursuant to Section 551(3) of the Companies Act 2016 in the Gazette on 22 July 2019. The striking off of DV and PP do not have any material financial impact to the Group.

On 11 November 2019, Dikir Dagang Sdn. Bhd. ("DD") a dormant company and wholly-owned subsidiary company of OSKPH, which in turn is a subsidiary company of the Company, applied to the Companies Commission of Malaysia for striking off pursuant to Section 550 of the CA2016. The application for striking off such company is pending for the approval of the Companies Commission of Malaysia. The striking off of DD is not expected to have any material financial impact to the Group.

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

(d) OSK Holdings Berhad ("OSKH" or "The Company") entered into a Joint Development Agreement Term Sheet ("JDA-TS") With Marubeni Corporation ("Marubeni")

On 19 August 2019, the Company entered into a JDA-TS with Marubeni to jointly submit a bid in response to the Request for Proposal (RFP) by Energy Commission of Malaysia ("ECM") for a Large Scale Solar Photovoltaic Plant in Peninsular Malaysia ("LSS3 Project") ("Joint Development").

With this Joint Development, the Company and Marubeni (collectively referred to as the "Parties") planned to jointly develop, operate and maintain the LSS3 Project. The Joint Development enable the Company and Marubeni to share experience and expertise in various areas, including but not limited to the engineering, procurement and construction works of the LSS3 Project.

The Company received an outcome letter dated 6 January 2020 from ECM which stated that the joint bid of the Company and Marubeni for LSS3 was not successful. The JDA-TS was terminated with immediate effect on 15 January 2020. The termination of the Joint Development did not have any material financial impact to the Group.

(e) Proposed disposal of OVI Cables (Vietnam) Co., Ltd. ("OVI")

On 31 December 2019, Olympic Cable Company Sdn. Bhd. ("OCC"), a wholly-owned subsidiary company of OCC Malaysia Sdn. Bhd. ("OCCM"), an indirect wholly-owned subsidiary company of PJDH, which in turn is a subsidiary company of the Company, entered into a Sale and Purchase Agreement with Sunhouse Group., JSC ("Sunhouse") for the disposal of 100% Contributed Charter Capital of VND122,900,064,000 and all ownership rights and titles in OVI to Sunhouse for a total cash consideration of VND75,021,524,529 (approximately RM13.30 million).

The disposal is expected to be completed by first half of year 2020, subject to the fulfilment of condition precedents.

Accordingly, the assets and liabilities of OVI are classified as disposal group held for sale in the Statement of Financial Position.

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

There were no material subsequent events after the end of the current quarter.

A10. Commitments

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
(a) Significant unrecognised contractual commitments		
Contracted but not provided for:		
- Acquisition of land held for property development	**243,943**	-
- Acquisition of office equipment and software licences	**1,121**	1,121
- Acquisition of plant and equipment	**3,200**	-
- Factory expansion	**1,241**	-
- Renovation costs	**1,980**	1,166
	251,485	2,287
(b) Operating lease commitments - the Group as lessor		
Not later than one year	**28,422**	26,275
Later than one year and not later than five years	**29,756**	34,663
Later than five years	**33,749**	32,713
	91,927	93,651

A11. Changes in contingent liabilities or contingent assets

There were no significant changes in contingent liabilities or contingent assets of the Group during the current year to date.

A12. Significant related party transactions

Entities	**Nature of transactions**	**Income/(Expenses) Current year to date ended 31.12.2019 RM'000**
(a) Associated companies:		
Agile PJD Development Sdn. Bhd.	- Rental income	455
RHB Asset Management Sdn. Bhd.	- Fund distribution income	8,905
RHB Bank Berhad	- Office rental income	844
	- Interest income	575
	- Interest expense	(22,748)
RHB Islamic Bank Berhad	- Interest expense	(12,373)
(b) Other related parties:		
DC Services Sdn. Bhd.	- Insurance premium expense	(792)
Dindings Consolidated Sdn. Bhd.	- Construction revenue	315
	- Office rental income	648
Dindings Design Sdn. Bhd.	- Renovation costs	(18,068)
Dindings Life Agency Sdn. Bhd.	- Insurance premium expense	(554)
Nova Terrace Sdn. Bhd.	- Project management fee income	336
Raslan Loong, Shen & Eow	- Legal fees expense	(1,942)
Sincere Source Sdn. Bhd.	- Insurance premium expense	(1,774)

A13. Fair value measurement

Fair value hierarchy pursuant to MFRS 7

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

Level 1: quoted (unadjusted) prices in active markets for identical assets.

Level 2: valuation techniques which all inputs that have a significant effect on the recorded fair values are observable for the assets, either directly or indirectly.

Level 3: valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data for the assets.

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

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 31.12.2019				
Non-financial assets				
Biological assets	-	-	**251**	**251**
Investment properties	-	**10,309**	**442,520**	**452,829**
Financial assets				
Securities at fair value through profit or loss	**264**	-	-	**264**
Short term funds	**446,335**	-	-	**446,335**
	446,599	**10,309**	**442,771**	**899,679**
As at 31.12.2018				
Non-financial assets				
Biological assets	-	-	144	144
Investment properties	-	9,576	441,725	451,301
Financial assets				
Securities at fair value through profit or loss	248	-	-	248
Short term funds	376,928	-	-	376,928
	377,176	9,576	441,869	828,621

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the last bid price.

Financial instruments carried at amortised cost

The carrying amounts of financial assets and financial liabilities which were classified as amortised cost assets and liabilities were approximated their fair values. These financial assets and liabilities including trade and other receivables or payables, capital financing, cash and bank balances, lease liabilities, medium term notes and Sukuk and borrowings.

QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2019

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

B1. Performance analysis of the Group for the current quarter and current year to date ended 31 December 2019

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

	Current quarter ended 31.12.2019 4Q19 RM'000	Comparative quarter ended 31.12.2018 4Q18 RM'000	change %	**Current year to date ended 31.12.2019 FY19 RM'000**	Preceding year to date ended 31.12.2018 FY18 RM'000	change %
Revenue						
1. Property	**171,449**	196,728	(13%)	**754,829**	720,848	5%
Construction revenue	*62,359*	*70,100*	*(11%)*	*250,088*	*281,591*	*(11%)*
Inter-segment revenue	*(62,359)*	*(69,553)*	*10%*	*(249,547)*	*(270,545)*	*8%*
2. Construction	**-**	547	(100%)	**541**	11,046	(95%)
3. Industries	**71,673**	77,080	(7%)	**289,552**	293,005	(1%)
4. Hospitality	**23,465**	26,479	(11%)	**83,485**	112,393	(26%)
Capital Financing	*20,297*	*14,347*	*41%*	*70,107*	*60,909*	*15%*
Investment Holding	*4,646*	*2,231*	*108%*	*9,009*	*5,886*	*53%*
5. Financial Services	**24,943**	16,578	50%	**79,116**	66,795	18%
Revenue	**291,530**	317,412	(8%)	**1,207,523**	1,204,087	0%
Pre-tax profit/(loss)						
1. Property	**71,087**	38,040	87%	**206,059**	105,334	96%
2. Construction	**10,916**	4,686	133%	**8,483**	12,106	(30%)
3. Industries	**6,708**	4,560	47%	**27,778**	25,928	7%
Hospitality performance	*2,792*	*(4,650)*	*>100%*	*(6,311)*	*(9,647)*	*35%*
Gain on disposal of hotel properties	*-*	*75,945*		*-*	*93,450*	
4. Hospitality	**2,792**	71,295	(96%)	**(6,311)**	83,803	(>100%)
Capital Financing	*10,364*	*6,477*	*60%*	*34,424*	*26,881*	*28%*
Investment Holding	*52,054*	*36,928*	*41%*	*200,095*	*153,690*	*30%*
Listing expense	*-*	*-*		*-*	*(12,332)*	
5. Financial Services	**62,418**	43,405	44%	**234,519**	168,239	39%
Pre-tax profit	**153,921**	161,986	(5%)	**470,528**	395,410	19%
Core pre-tax profit	**153,921**	86,041	79%	**470,528**	314,292	50%
Comprised of:						
Pre-tax profit from the business	**84,135**	107,071	(21%)	**195,936**	158,667	23%
Share of results of associated companies and a joint venture	**69,786**	54,915	27%	**274,592**	236,743	16%
Pre-tax profit	**153,921**	161,986	(5%)	**470,528**	395,410	19%

B1. Performance analysis of the Group for the current quarter and current year to date ended 31 December 2019 (Cont'd)

(a) Current Year To Date ("FY19") compared with Preceding Year To Date ("FY18")

The Group registered revenue of RM1,207.52 million and core pre-tax profit of RM470.53 million in FY19 compared with revenue of RM1,204.09 million and core pre-tax profit of RM314.29 million (excluding gain on disposal of hotel properties of RM93.45 million and listing expense of RM12.33 million) in FY18, representing an increase of RM3.43 million in revenue and RM156.24 million or 50% in core pre-tax profit. The core pre-tax profits improved for all the Segments other than Construction Segment.

The Property Segment registered revenue of RM754.83 million and pre-tax profit of RM206.06 million in FY19 compared with revenue of RM720.85 million and pre-tax profit of RM105.33 million in FY18, representing an increase of RM33.98 million or 5% in revenue and RM100.73 million or 96% in pre-tax profit. The increase in revenue and pre-tax profit were due to progress billings from existing projects i.e. Windmill Upon Hills, Luminari, TimurBay and Ryan & Miho which have recorded very encouraging take-up rates. The participation in the Home Ownership Campaign 2019 to showcase and promote those qualified projects at affordable prices received good response from home buyers. The finalisation of some of the completed projects have also recorded additional profit as costs provided were no longer required. The results were further boosted by share of profits of an associated company, which saw an increase in share of profit to RM41.15 million in FY19 from RM27.56 million in FY18. The Property Investment Division contributed pre-tax profit of RM6.10 million in FY19 compared with RM1.40 million in FY18 as a result of higher occupancy rates across all properties.

The Construction Segment generated revenue of RM250.09 million and pre-tax profit of RM8.48 million in FY19 compared with revenue of RM281.59 million and pre-tax profit of RM12.11 million in FY18, representing a decrease of RM31.50 million or 11% in revenue and RM3.63 million or 30% in pre-tax profit. The decrease in revenue and pre-tax profit were due to lesser on-going construction projects undertaken and the completion of 3 major projects namely Windmill Upon Hills, Luminari and TimurBay during the year.

The Industries Segment registered revenue of RM289.55 million and pre-tax profit of RM27.78 million in FY19 compared with revenue of RM293.01 million and pre-tax profit of RM25.93 million in FY18, representing a slight decrease of RM3.46 million or 1% in revenue and an increase of RM1.85 million or 7% in pre-tax profit. Whilst the contribution from the Cable Division remain stable, the IBS Division showed an improvement in profit margin as it moves towards supply and install contracts.

The Hospitality Segment registered revenue of RM83.49 million and pre-tax loss of RM6.31 million in FY19 compared with revenue of RM112.39 million and pre-tax loss of RM9.65 million (excluding gain on disposal of hotel properties of RM93.45 million) in FY18, representing a decrease of RM28.90 million or 26% in revenue and a reduction of RM3.34 million or 35% in pre-tax loss. The lower revenue recorded was mainly due to deconsolidation of results of two hotel properties upon its disposal in FY2018. The Segment recorded a lower normalised pre-tax loss due to higher occupancy rates at some of the hotels and termination of a leasing arrangement at Swiss-Garden Residences Kuala Lumpur that resulted in savings in expenses since September 2019.

The Capital Financing Division posted revenue of RM70.11 million and pre-tax profit of RM34.42 million in FY19 compared with revenue of RM60.91 million and pre-tax profit of RM26.88 million in FY18, representing an increase of RM9.20 million or 15% in revenue and RM7.54 million or 28% in pre-tax profit. The increase in revenue and pre-tax profit were mainly due to increase in the lending portfolio from RM565.97 million in FY18 to RM777.19 million in FY19.

The Investment Holding Division contributed pre-tax profit of RM200.10 million in FY19 compared with RM153.69 million (excluding listing expense of RM12.33 million) in FY18, representing an increase of RM46.41 million or 30% in pre-tax profit. The improvement in pre-tax profit was due to higher share of profit of RHB group coupled with lower financing cost incurred in FY19.

B1. Performance analysis of the Group for the current quarter and current year to date ended 31 December 2019 (Cont'd)

(b) Current Quarter ("4Q19") compared with Comparative Quarter of Preceding Year ("4Q18")

The Group registered revenue of RM291.53 million and core pre-tax profit of RM153.92 million in 4Q19 compared with revenue of RM317.41 million and core pre-tax profit of RM86.04 million (excluding gain on disposal of a hotel property of RM75.95 million) in 4Q18, representing a decrease of RM25.88 million or 8% in revenue and an increase of RM67.88 million or 79% in core pre-tax profit. Despite lower revenue recorded, all the Segments have shown improvement for its core pre-tax profit in 4Q19.

The Property Segment recorded revenue of RM171.45 million and pre-tax profit of RM71.09 million in 4Q19 compared with revenue of RM196.73 million and pre-tax profit of RM38.04 million in 4Q18, representing a decrease of RM25.28 million or 13% in revenue and an increase of RM33.05 million or 87% in pre-tax profit. Despite lower revenue reported in 4Q19, the pre-tax profit improved substantially due to completion of Windmill Upon Hills, Luminari and TimurBay. The sales of these projects have reached 94%, 99% and 99% respectively. The other on-going projects, Ryan & Miho and Iringan Bayu have also contributed positively as the construction progress. The share of profit of an associated company, Agile Mont Kiara Development has also improved substantially from RM2.81 million in 4Q18 to RM12.27 million in 4Q19 due to its high take-up rate and construction completion. The Property Investment Division has turned around to record profit of RM0.47 million in 4Q19 from loss of RM5.50 million in 4Q18 mainly due to higher occupancy rate achieved.

The Construction Segment registered revenue of RM62.36 million and pre-tax profit of RM10.92 million in 4Q19 compared with revenue of RM70.10 million and pre-tax profit of RM4.69 million in 4Q18, representing a decrease of RM7.74 million or 11% in revenue and an increase of RM6.23 million or 2.33 times in pre-tax profit. Despite lower revenue recorded in 4Q19 due to lower progress billing, the pre-tax profit for 4Q19 increased due to higher realisation of profit in line with the progress billings of the Property Development Division.

The Industries Segment registered revenue of RM71.67 million and pre-tax profit of RM6.71 million in 4Q19 compared with revenue of RM77.08 million and pre-tax profit of RM4.56 million in 4Q18, representing a decrease of RM5.41 million or 7% in revenue and an increase of RM2.15 million or 47% in pre-tax profit. The higher pre-tax profit recorded in 4Q19 was mainly due to composition of sales of higher margin products from both Olympic Cables and Acotec IBS Divisions.

The Hospitality Segment reported revenue of RM23.47 million and pre-tax profit of RM2.79 million in 4Q19 compared with revenue of RM26.48 million and pre-tax loss of RM4.65 million (excluding gain on disposal of a hotel property of RM75.95 million) in 4Q18, representing a decrease of RM3.01 million or 11% in revenue and an improvement of RM7.44 million in pre-tax performance. The operating results of Hospitality Segment improved due to higher occupancy rates achieved at some of the hotels. SGI Vacation Club Division also recorded higher number of membership sale from Scheme 2.

The Capital Financing Division registered revenue of RM20.30 million and pre-tax profit of RM10.36 million in 4Q19 compared with revenue of RM14.35 million and pre-tax profit of RM6.48 million in 4Q18, representing an increase of RM5.95 million or 41% in revenue and RM3.88 million or 60% in pre-tax profit. The performance of this Division improved mainly due to higher income from larger loan disbursements.

The Investment Holding Division reported pre-tax profit of RM52.05 million in 4Q19 compared with RM36.93 million in 4Q18, representing an increase of RM15.12 million or 41% in pre-tax profit. The increase in pre-tax profit was mainly due to higher contribution from share of RHB group's profit of RM58.68 million in 4Q19 as compared to RM52.68 million in 4Q18 coupled with lower financing costs arising from effective treasury management.

QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2019

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:

Overall performance analysis for current quarter compared with immediate preceding quarter

	Current quarter ended 31.12.2019 4Q19 RM'000	Immediate preceding quarter ended 30.9.2019 3Q19 RM'000	change %
Revenue			
1. Property	**171,449**	198,703	(14%)
Construction revenue	*62,359*	*68,282*	*(9%)*
Inter-segment revenue	*(62,359)*	*(68,025)*	*8%*
2. Construction	**-**	257	(100%)
3. Industries	**71,673**	71,796	(<1%)
4. Hospitality	**23,465**	24,238	(3%)
Capital Financing	*20,297*	*18,856*	*8%*
Investment Holding	*4,646*	*1,873*	*148%*
5. Financial Services	**24,943**	20,729	20%
Revenue	**291,530**	315,723	(8%)
Pre-tax profit/(loss)			
1. Property	**71,087**	56,100	27%
2. Construction	**10,916**	(3,488)	>100%
3. Industries	**6,708**	7,775	(14%)
4. Hospitality	**2,792**	(1,731)	>100%
Capital Financing	*10,364*	*8,522*	*22%*
Investment Holding	*52,054*	*48,956*	*6%*
5. Financial Services	**62,418**	57,478	9%
Pre-tax profit	**153,921**	116,134	33%
Comprised of:			
Pre-tax profit from the business	**84,135**	50,471	67%
Share of results of associated companies and a joint venture	**69,786**	65,663	6%
Pre-tax profit	**153,921**	116,134	33%

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

Current Quarter ("4Q19") compared with Immediate Preceding Quarter ("3Q19")

The Group registered revenue of RM291.53 million and pre-tax profit of RM153.92 million in 4Q19 compared with revenue of RM315.72 million and pre-tax profit of RM116.13 million in 3Q19, representing a decrease of RM24.19 million or 8% in revenue and an increase of RM37.79 million or 33% in pre-tax profit. Despite lower revenue reported in 4Q19, the performance of all the Segments have improved during the quarter except for Industries Segment.

The Property Segment recorded revenue of RM171.45 million and pre-tax profit of RM71.09 million in 4Q19 compared with revenue of RM198.70 million and pre-tax profit of RM56.10 million in 3Q19, representing a decrease of RM27.25 million or 14% in revenue and an increase of RM14.99 million or 27% in pre-tax profit. Despite lower revenue generated in 4Q19, the higher per-tax profit reported was due to progress billings for all existing projects that have achieved high take-up rates. Arising from the good take-up rates, profit margins on some of the projects improved arising from savings in costs e.g. sales and marketing cost, that were no longer required. In addition, the performance of the Property Investment Division saw an improvement due to higher occupancy rate. The share of profit of Agile PJD Development Sdn. Bhd. at Mont Kiara also contributed higher profit of RM12.27 million in 4Q19 compared with RM11.26 million in 3Q19.

The Construction Segment recorded revenue of RM62.36 million and pre-tax profit of RM10.92 million in 4Q19 compared with revenue of RM68.28 million and pre-tax loss of RM3.49 million in 3Q19, representing a decrease of RM5.92 million or 9% in revenue and an improvement of RM14.41 million in pre-tax performance. The pre-tax profit improved due to additional profit recognised from the finalisation of account of the completed projects coupled with higher progress billing from on-going projects.

The Industries Segment recorded revenue of RM71.67 million and pre-tax profit of RM6.71 million in 4Q19 compared with revenue of RM71.80 million and pre-tax profit of RM7.78 million in 3Q19, representing a decrease of RM0.13 million in revenue and RM1.07 million or 14% in pre-tax profit. The lower pre-tax profit was due to the composition of sale of products mix that has lower profit margin in 4Q19.

The Hospitality Segment registered revenue of RM23.47 million and pre-tax profit of RM2.79 million in 4Q19 compared with revenue of RM24.24 million and pre-tax loss of RM1.73 million in 3Q19, representing a decrease of RM0.77 million or 3% in revenue and an improvement of RM4.52 million in pre-tax performance. The improvement in pre-tax performance in 4Q19 was due to higher occupancy rates at most of the hotels during the year-end holiday and festive season.

The Capital Financing Division recorded revenue of RM20.30 million and pre-tax profit of RM10.36 million in 4Q19 compared with revenue of RM18.86 million and pre-tax profit of RM8.52 million in 3Q19, representing an increase of RM1.44 million or 8% in revenue and RM1.84 million or 22% in pre-tax profit. The improved results was due to increase in capital financing portfolio.

The Investment Holding Division reported pre-tax profit of RM52.05 million in 4Q19 compared with RM48.96 million in 3Q19, representing an increase of RM3.09 million or 6% in pre-tax profit. The increase of the pre-tax profit was mainly due to lower operation cost and consistent share of profit of RHB Group.

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

(a) Prospects for the year 2020 ("FY2020")

As we move ahead into the new decade, it is undeniable that the market remains challenging with unpredicted global uncertainties such as headwinds from the US-China trade disputes. The country reported a GDP growth of 4.3% missing the earlier forecast of 4.7% following a weaker 4Q19. The recent outbreak of the COVID-19 has taken toll on the tourism industry impacting the hospitality, retail and its related segments and added uncertainties to the economic growth outlook. In Australia, the bush-fire and the recent travel ban imposed on non-citizens travelling from China due to COVID-19 have added more downside risks to its economy.

On 22 January 2020, Bank Negara Malaysia further cut OPR by 0.25% to 2.75%. The rate cut would provide a positive push to private consumption which may lead to an upswing in purchaser sentiment as home seekers leverage on lower interest rates. This should augur well for our Property Division. The performance of the Division will continue to be supported by sales and progress billings from on-going projects i.e. (i) Ryan & Miho in Section 13, Petaling Jaya; (ii) Phase 1 - Pastura, Phase 2 - Astera and Phase 3A - Semaya at Iringan Bayu township in Seremban; (iii) You City III in Cheras; and (iv) Zone 1 of Precinct 4 and Zone 2 of Precinct 3 in Bandar Puteri Jaya in Sungai Petani, Kedah with combined gross development value ("GDV") amounting to RM1.80 billion.

Several projects in Malaysia will see the completion and handing over in FY2020 including Pastura and Astera at Iringan Bayu in Seremban. The Melbourne Square project in Australia has recorded take-up rate of above 76% since its launch and the construction is progressing as scheduled. It is expected to see the maiden profit recognition from Melbourne Square upon completion and settlement of Stage 1 of Phase 1 in FY2020. As of the date of this report, settlement instruction to the Stage 1 purchasers have been issued and the settlements are in progress.

In the absence of Home Ownership Campaign ("HOC") in FY2020, the Property Development Division will continue to emphasise on selling the unsold stocks of on-going and completed projects and develop innovative products that meet the needs of the prospective buyers and at the same time focus on cost efficiency. The division is targeting to launch three projects with combined GDV of RM423.2 million in FY2020, namely (i) Iringan Bayu Mekary Phase 3B comprising double-storey terrace homes and Phase 3C comprising single-storey terrace homes in Seremban, Negeri Sembilan (ii) Bandar Puteri Jaya Zone 2 of Precinct 4 and Zone 1 of Precinct 5 in Sungai Petani, Kedah and (iii) Harbour Place service apartment in Butterworth, Penang.

As at 31 December 2019, the Group has effective unbilled sales of RM1.60 billion with minimal unsold completed stocks and land bank of 1,466 acres with an estimated effective GDV of RM10.50 billion in Klang Valley, Sungai Petani, Butterworth, Kuantan, Seremban and Melbourne, Australia. With the balance land bank covering various locations and 2 townships development in Peninsular Malaysia and the integrated development in Australia, the Property Development Division will remain the key contributor to the performance of the Group in FY2020.

The Property Investment Division is expected to contribute steady rental income from its office and retail tenants. As at 31 December 2019, the occupancies of Atria Shopping Gallery, Plaza OSK and Faber Towers stood at 96%, 98% and 75% respectively. The Property Investment Division will focus on asset enhancement initiatives to improve occupancy rates and rental income in FY2020.

The Construction Segment will continue to focus on delivering its current outstanding order book of RM203.95 million as at 31 December 2019 within the stipulated time and quality by working closely with the Property Development Division.

B3. Commentary on next year prospects and progress on previously announced revenue or profit forecast (Cont'd)

(a) Prospects for the year 2020 ("FY2020") (Cont'd)

The Industries Segment is anticipated to perform satisfactorily as it continues to tap on private and public sector projects undertaken by its existing customers. Olympic Cable and IBS Divisions will focus on expanding its customer base via sales and marketing strategies including new product offerings and continuous research and development to improve its existing products. The IBS Division targets to expand the supply and install capabilities as it taps on residential property development by other developers.

The Hospitality Segment is expected to improve their marketing efforts to attract local and foreign travellers. Renovation plans for some of the hotel properties are already underway. Occupancy and room rates are expected to increase once the renovations are completed. Swiss-Garden Beach Resort Damai Laut has entered into a Branding and Management Agreement with Hilton in July 2019. The re-branding exercise to DoubleTree by Hilton Damai Laut Resort is expected to be completed by the middle of FY2020. We are optimistic that the re-branding will positively impact the performance of the resort. The Vacation Club Division's 15-year SGI Vacation Club Membership Scheme 2 which was launched a year ago will form the main revenue source for this Division in addition to contribution from the annual maintenance fees from the existing 30-year scheme. Nevertheless, we remain cautiously optimistic on the performance of this Segment as the recent outbreak of COVID-19 and travel bans imposed has taken a toll on the tourism industry.

The performance of Financial Services & Investment Holding Segment is dependent on RHB Group's performance and our Capital Financing business. The Capital Financing Division continues its growth trajectory by offering variety of financing products to attract customers. To achieve this, we are right sizing the team with different background exposure to reach out to different targeted market segments.

The Board is confident that the Group will continue to deliver satisfactory results for FY2020 despite the global market challenges and the domestic political situation.

B3. Commentary on next year prospects and progress on previously announced revenue or profit forecast (Cont'd)

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

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

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

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

B5. Profit forecast/profit guarantee previously announced

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

B6. Tax expense

	Current quarter ended 31.12.2019 RM'000	**Current year to date ended 31.12.2019 RM'000**
In respect of the current year income tax	(25,110)	(67,758)
Over provision of income tax in respect of prior years	1,177	5,761
Deferred income tax	2,706	10,128
Income tax expense	(21,227)	(51,869)

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

B7. Status of corporate proposals and utilisation of proceeds

As at 20 February 2020 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report):

(a) Status of corporate proposal announced but not completed

There were no corporate proposals announced but not completed. The Proposed Disposal of OVI as disclosed in Note A8(e) is expected to be completed in the first half of FY2020. There was no separate announcement on this proposal due to its materiality.

(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

(a) The Group's borrowings and debt securities at the end of the current year to date, denominated in Malaysian Ringgit ("MYR") (2018: MYR and Vietnamese Dong ("VND")), are as follows:

(i) Debt securities

	Non-current	Current	Total
	RM'000	RM'000	RM'000
As at 31.12.2019			
Secured			
Medium term notes and Sukuk - MYR	**1,156,057**	**24,871**	**1,180,928**
As at 31.12.2018			
Secured			
Medium term notes and Sukuk - MYR	1,069,190	40,329	1,109,519

The details of Medium term notes and Sukuk are disclosed in Note A5(c), (d) and (e).

(ii) Borrowings

	Non-current		Current		Total
	VND'000	RM'000	VND'000	RM'000	RM'000
As at 31.12.2019					
Secured					
Revolving credits - MYR	-	-	-	**154,950**	**154,950**
Term/Bridging - MYR	-	**237,380**	-	**17,510**	**254,890**
		237,380		**172,460**	**409,840**
Unsecured					
Bank overdrafts - MYR	-	-	-	**63**	**63**
Revolving credits - MYR	-	-	-	**787,701**	**787,701**
		-		**787,764**	**787,764**
Total		**237,380**		**960,224**	**1,197,604**
As at 31.12.2018					
Secured					
Bankers' acceptances - MYR	-	-	-	5,280	5,280
Revolving credits - MYR	-	-	-	180,050	180,050
Term/Bridging - MYR	-	424,189	-	88,300	512,489
		424,189		273,630	697,819
Unsecured					
Bank overdrafts - MYR	-	-	-	282	282
Revolving credits - MYR	-	-	-	663,355	663,355
Trust receipt - VND (100 : 0.0179)	-	-	20,907,249	3,739	3,739
		-		667,376	667,376
Total		424,189		941,006	1,365,195

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

(b) Commentaries on the Group borrowings and debt securities

(i) During the year, there were no material changes in borrowings other than the changes for working capital requirements. The details of MTN and Sukuk are disclosed in Note A5(c), (d) and (e); and

(ii) The decrease in the borrowings were due to repayment of borrowings.

B9. Changes in material litigation

Since the date of the last annual report, the Group is not engaged in any material litigation which might materially and adversely affect the financial position of the Group.

B10. Dividends declaration for the current year to date

(a) The single tier dividend declared or proposed for the year to date ended:

31 December 2019	Interim dividend paid	Proposed final dividend	Total
Amount per share (sen)	2.0	3.0	5.0
Number of ordinary share ('000)	2,077,200	2,071,836	
Amount of dividend (RM'000)	41,544	62,155	103,699
Payment date	3.10.2019	*	

31 December 2018	Interim dividend paid	Final dividend paid	Total
Amount per share (sen)	2.0	3.0	5.0
Number of ordinary share ('000)	2,077,200	2,077,200	
Amount of dividend (RM'000)	41,544	62,316	103,860
Payment date	10.10.2018	23.5.2019	

* The proposed final dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting. The entitlement date for the final dividend shall be determined by the Board of Directors.

	Current year to date ended 31.12.2019	Preceding year to date ended 31.12.2018
(b) Total dividend declared or proposed for the current year to date per ordinary share (sen)	**5.0**	5.0

QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2019

B11. Earnings Per Share ("EPS")

	Current quarter ended 31.12.2019	Comparative quarter ended 31.12.2018	**Current year to date ended 31.12.2019**	Preceding year to date ended 31.12.2018
(a) Basic				
Profit attributable to Owners of the Company (RM'000)	**130,166**	152,215	**412,003**	346,053
Weighted average number of ordinary shares outstanding ('000)	**2,076,825**	2,077,200	**2,077,105**	2,077,200
Basic EPS (sen)	**6.27**	7.33	**19.84**	16.66
(b) Diluted				
Profit attributable to Owners of the Company (RM'000)	**130,166**	152,215	**412,003**	346,053
Weighted average number of ordinary shares outstanding ('000)	**2,076,825**	2,077,200	**2,077,105**	2,077,200
Effect of dilution of assumed conversion of Warrants C 2015/2020 ('000)^	**-**	-	**-**	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	**2,076,825**	2,077,200	**2,077,105**	2,077,200
Diluted EPS (sen)	**6.27**	7.33	**19.84**	16.66

^ The Company's Warrants 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 for the current and previous years.

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 Statement of Profit or Loss and Statement of Comprehensive Income

Profit before tax is arrived at after crediting/(charging):	**Current quarter ended 31.12.2019 RM'000**	Comparative quarter ended 31.12.2018 RM'000	**Current year to date ended 31.12.2019 RM'000**	Preceding year to date ended 31.12.2018 RM'000
(i) Revenue				
Interest income	**17,091**	12,602	**60,983**	50,997
Rental income	**11,025**	9,563	**42,449**	38,155
(ii) Cost of sales				
Interest expense	**(4,505)**	(4,407)	**(19,619)**	(16,800)
(iii) Other income				
Dividend income	**-**	-	**-**	23
Funds distribution income	**2,115**	1,922	**10,236**	6,669
Gain on disposals of property, plant and equipment	**140**	261	**616**	443
Gain on fair valuation of:				
- biological assets	**91**	64	**107**	64
- investment properties	**-**	61	**-**	61
- securities at fair value through profit or loss	**74**	14	**16**	-
Gain on foreign exchange transactions	**130**	-	**375**	153
Gain on foreign exchange translations	**371**	30	**423**	-
Interest income	**2,204**	1,068	**7,206**	5,717
Recovery of bad debts of:				
- capital financing	**2**	1	**134**	2
- trade receivables	**-**	60	**-**	1,295
Write back of allowance for impairment losses on:				
- capital financing:				
- individual assessment	**69**	-	**87**	231
- trade and other receivables:				
- collective assessment	**28**	192	**28**	192
- individual assessment	**826**	888	**2,572**	1,655
(iv) Administrative expenses				
Depreciation and amortisation	**(8,131)**	(5,799)	**(24,284)**	(22,940)

QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2019

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

Profit before tax is arrived at after crediting/(charging):	**Current quarter ended 31.12.2019 RM'000**	Comparative quarter ended 31.12.2018 RM'000	**Current year to date ended 31.12.2019 RM'000**	Preceding year to date ended 31.12.2018 RM'000
(v) Other items of expense				
Impairment loss on:				
- capital financing:				
- individual assessment	**-**	(79)	**-**	(237)
- trade and other receivables:				
- collective assessment	**(51)**	(224)	**(328)**	(224)
- individual assessment	**(2,284)**	(2,366)	**(2,689)**	(5,268)
Listing expense	**-**	-	**-**	(12,332)
Loss on disposals of plant and equipment	**(16)**	(33)	**(33)**	(43)
Loss on fair valuation of:				
- investment properties	**(1,308)**	-	**(1,308)**	-
- securities at fair value through profit or loss	**-**	-	**-**	(51)
Loss on foreign exchange transactions	**(16)**	(253)	**(63)**	(272)
Loss on foreign exchange translations	**(98)**	-	**(137)**	(808)
Write off of:				
- bad debts on trade and other receivables	**(672)**	(488)	**(672)**	(1,042)
- plant and equipment	**(24)**	-	**(141)**	(720)
(vi) Finance costs				
Interest expense	**(17,318)**	(21,036)	**(63,875)**	(80,035)

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

B14. Derivative financial instruments

There were no outstanding derivative financial instruments as at 31 December 2019.

B15. Gains or losses arise from fair value changes of financial liabilities

There were no gains or losses arising from fair value changes of financial liabilities for the current year to date ended 31 December 2019.

By Order of the Board

Tan Sri Ong Leong Huat
Executive Chairman
Kuala Lumpur
27 February 2020