

**QUARTERLY REPORT FOR THE FIRST QUARTER 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	As at <b>31.3.2021</b>	As at 31.12.2020 (Restated)	As at 1.1.2020 (Restated)
	<b>RM'000</b>	RM'000	RM'000
<b>Assets:</b>			
<b>Non-current</b>			
Property, plant and equipment	572,987	577,152	605,518
Investment properties	462,226	456,303	464,780
Investments in associates and a joint venture	3,824,681	3,880,828	3,681,201
Intangible assets	1,034	1,085	1,205
Right-of-use assets	72,965	76,715	78,886
Inventories	1,341,657	1,355,068	1,198,764
Deferred tax assets	69,276	67,005	94,234
Capital financing	316,366	247,978	182,629
Trade receivables	13,104	8,945	26,080
Other assets	1,421	1,420	882
	<b>6,675,717</b>	<b>6,672,499</b>	<b>6,334,179</b>
<b>Current</b>			
Inventories	247,363	256,437	353,203
Capital financing	642,942	574,940	594,557
Trade receivables	179,645	210,699	254,533
Other assets	60,756	88,996	79,238
Contract assets	207,950	163,958	129,742
Biological assets	357	54	251
Tax recoverable	15,341	15,420	12,038
Securities at fair value through profit or loss	218	225	264
Cash, bank balances and short term funds	703,600	662,702	585,844
	<b>2,058,172</b>	<b>1,973,431</b>	<b>2,009,670</b>
Assets of disposal group classified as held for sale	-	-	21,998
	<b>2,058,172</b>	<b>1,973,431</b>	<b>2,031,668</b>
<b>Total Assets</b>	<b>8,733,889</b>	<b>8,645,930</b>	<b>8,365,847</b>

**QUARTERLY REPORT FOR THE FIRST QUARTER 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021 (CONT'D)**

	Note	As at 31.3.2021 RM'000	As at 31.12.2020 (Restated) RM'000	As at 1.1.2020 (Restated) RM'000
<b>Liabilities:</b>				
<b>Non-current</b>				
Borrowings	A5(b),(c),(d),(e),B8(a)	1,580,919	1,504,241	1,393,437
Trade payables		11,902	16,390	17,543
Other liabilities		49,330	49,330	6,469
Contract liabilities		90,682	93,963	107,131
Lease liabilities		10,015	13,719	20,801
Derivative liabilities	B14	757	6,013	-
Deferred tax liabilities		106,933	109,014	115,546
		<b>1,850,538</b>	<b>1,792,670</b>	<b>1,660,927</b>
<b>Current</b>				
Borrowings	A5(b),(c),(d),(e),B8(a)	908,821	892,756	985,095
Trade payables		83,347	86,348	80,079
Other liabilities		435,180	445,136	514,126
Contract liabilities		28,007	30,778	33,516
Lease liabilities		15,000	14,879	8,894
Tax payable		15,680	16,300	11,209
		<b>1,486,035</b>	<b>1,486,197</b>	<b>1,632,919</b>
Liabilities of disposal group classified as held for sale		-	-	10,135
		<b>1,486,035</b>	<b>1,486,197</b>	<b>1,643,054</b>
<b>Total Liabilities</b>		<b>3,336,573</b>	<b>3,278,867</b>	<b>3,303,981</b>
<b>Net Assets</b>		<b>5,397,316</b>	<b>5,367,063</b>	<b>5,061,866</b>
<b>Equity:</b>				
Share capital		2,095,311	2,095,311	2,095,310
Treasury shares, at cost	A5(a)	(43,226)	(43,226)	(35,636)
		<b>2,052,085</b>	<b>2,052,085</b>	<b>2,059,674</b>
Reserves		3,272,390	3,245,548	2,928,278
Issued capital and reserves attributable to Owners of the Company		5,324,475	5,297,633	4,987,952
Non-controlling interests		72,841	69,430	73,914
<b>Total Equity</b>		<b>5,397,316</b>	<b>5,367,063</b>	<b>5,061,866</b>
<b>Net Assets per share attributable to Owners of the Company (RM)</b>		<b>2.58</b>	<b>2.57</b>	<b>2.41</b>
<b>Number of outstanding ordinary shares in issue ('000)</b>		<b>2,062,104</b>	<b>2,062,104</b>	<b>2,071,836</b>

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2020)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

	Note	Current quarter ended 31.3.2021 RM'000	Comparative quarter ended 31.3.2020 (Restated) RM'000	Current year to date ended 31.3.2021 RM'000	Preceding year to date ended 31.3.2020 (Restated) RM'000
<b>Revenue</b>		<b>324,961</b>	255,727	<b>324,961</b>	255,727
Cost of sales		(230,980)	(187,239)	(230,980)	(187,239)
Gross profit		<b>93,981</b>	68,488	<b>93,981</b>	68,488
Other income		<b>5,731</b>	6,763	<b>5,731</b>	6,763
Administrative expenses		(36,350)	(47,797)	(36,350)	(47,797)
Other expenses		(6,070)	(6,578)	(6,070)	(6,578)
		<b>57,292</b>	20,876	<b>57,292</b>	20,876
Finance costs		(8,785)	(15,192)	(8,785)	(15,192)
		<b>48,507</b>	5,684	<b>48,507</b>	5,684
Share of results of associates and a joint venture, net of tax		<b>79,148</b>	81,786	<b>79,148</b>	81,786
<b>Profit before tax</b>	B13	<b>127,655</b>	87,470	<b>127,655</b>	87,470
Tax expense	B6	(10,119)	(9,427)	(10,119)	(9,427)
<b>Profit after tax</b>		<b>117,536</b>	78,043	<b>117,536</b>	78,043
<b>Profit attributable to:</b>					
Owners of the Company		<b>116,410</b>	77,160	<b>116,410</b>	77,160
Non-controlling interests		<b>1,126</b>	883	<b>1,126</b>	883
		<b>117,536</b>	78,043	<b>117,536</b>	78,043
<b>Earnings per share attributable to Owners of the Company (sen):</b>					
Basic / Diluted	B11	<b>5.65</b>	3.73	<b>5.65</b>	3.73

(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 2020)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

	<b>Current quarter ended 31.3.2021</b>	<b>Comparative quarter ended 31.3.2020 (Restated)</b>	<b>Current year to date ended 31.3.2021</b>	<b>Preceding year to date ended 31.3.2020 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit after tax</b>	<b>117,536</b>	78,043	<b>117,536</b>	78,043
<b>Other comprehensive income/(expenses) for the period, net of tax</b>				
(a) Items of other comprehensive income/(expenses):				
Will be reclassified subsequently to profit or loss when specific conditions are met:				
- <i>Fair value loss on cash flow hedge</i>	597	(5,173)	597	(5,173)
- <i>Foreign currency translation loss</i>	426	196	426	196
	<b>1,023</b>	<b>(4,977)</b>	<b>1,023</b>	<b>(4,977)</b>
(b) Share of other comprehensive income/ (expenses) and reserves of associates accounted for using equity method:				
(i) Items that will not be reclassified subsequently to profit or loss:				
- <i>Fair values through other     comprehensive income ("FVTOCI")     and other reserves</i>	263	293	263	293
(ii) Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
- <i>Foreign currency translation reserves</i>	18,952	(17,600)	18,952	(17,600)
- <i>FVTOCI and other reserves</i>	<b>(109,510)</b>	<b>(39,790)</b>	<b>(109,510)</b>	<b>(39,790)</b>
	<b>(90,295)</b>	<b>(57,097)</b>	<b>(90,295)</b>	<b>(57,097)</b>
<b>Total other comprehensive expenses for the period, net of tax</b>	<b>(89,272)</b>	<b>(62,074)</b>	<b>(89,272)</b>	<b>(62,074)</b>
<b>Total comprehensive income</b>	<b>28,264</b>	15,969	<b>28,264</b>	15,969
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	26,840	15,898	26,840	15,898
Non-controlling interests	1,424	71	1,424	71
	<b>28,264</b>	15,969	<b>28,264</b>	15,969

(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 2020)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

	Attributable to Owners of the Company							Total issued share capital and reserves	Non-controlling interests	Total equity	
	Note	Share capital	Treasury shares [Note A5(a)]	Revaluation reserve	Foreign currency translation reserves	Hedging reserve	Other reserves				Retained profits
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>As at 1.1.2021</b>											
As per previously reported		2,095,311	(43,226)	63,451	19,704	(3,457)	164,855	2,997,781	5,294,419	69,386	5,363,805
Adoption of IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23 Borrowing Costs)	A1(a)(ii)	-	-	-	-	-	-	3,214	3,214	44	3,258
As restated		2,095,311	(43,226)	63,451	19,704	(3,457)	164,855	3,000,995	5,297,633	69,430	5,367,063
Profit after tax		-	-	-	-	-	-	116,410	116,410	1,126	117,536
Fair value gain on cash flow hedge	B14	-	-	-	-	597	-	-	597	-	597
Foreign currency translation gain		-	-	-	424	-	-	-	424	2	426
Share of other comprehensive income/(expenses) and reserves of associates accounted for using equity method:											
- Foreign currency translation reserves		-	-	-	18,656	-	-	-	18,656	296	18,952
- FVTOCI and other reserves		-	-	-	-	-	(109,247)	-	(109,247)	-	(109,247)
Other comprehensive income/(expenses)		-	-	-	19,080	597	(109,247)	-	(89,570)	298	(89,272)
<b>Total comprehensive income/(expenses)</b>		-	-	-	19,080	597	(109,247)	116,410	26,840	1,424	28,264
Acquisitions of additional interests in a subsidiary from non-controlling interests:											
- Accretion of equity interests	A8(a)	-	-	-	-	-	-	-	-	(3)	(3)
- Gain on acquisitions	A8(a)	-	-	-	-	-	-	2	2	-	2
Issuance of ordinary shares by subsidiaries to non-controlling interests	A8(a)(ii)	-	-	-	-	-	-	-	-	1,990	1,990
<b>Total changes in ownership interest in subsidiaries</b>		-	-	-	-	-	-	2	2	1,987	1,989
<b>Total transactions with Owners in their capacity as Owners</b>		-	-	-	-	-	-	2	2	1,987	1,989
<b>As at 31.3.2021</b>		2,095,311	(43,226)	63,451	38,784	(2,860)	55,608	3,117,407	5,324,475	72,841	5,397,316

**QUARTERLY REPORT FOR THE FIRST QUARTER 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2021 (CONT'D)**

Note	Attributable to Owners of the Company							Total issued share capital and reserves RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital	Treasury shares	Revaluation reserve	Foreign currency translation reserves	Hedging reserve	Other reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
<b>As at 1.1.2020</b>										
As per previously reported	2,095,310	(35,636)	63,451	11,221	-	111,790	2,743,327	4,989,463	73,986	5,063,449
Adoption of IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23 Borrowing Costs)	A1(a)(ii)	-	-	-	-	-	(1,511)	(1,511)	(72)	(1,583)
As restated	2,095,310	(35,636)	63,451	11,221	-	111,790	2,741,816	4,987,952	73,914	5,061,866
Profit after tax	-	-	-	-	-	-	77,160	77,160	883	78,043
Fair value loss on cash flow hedge	-	-	-	-	(5,173)	-	-	(5,173)	-	(5,173)
Foreign currency translation gain	-	-	-	190	-	-	-	190	6	196
Share of other comprehensive expenses and reserves of associates accounted for using equity method:										
- Foreign currency translation reserves	-	-	-	(16,782)	-	-	-	(16,782)	(818)	(17,600)
- FVTOCI and other reserves	-	-	-	-	-	(39,497)	-	(39,497)	-	(39,497)
Other comprehensive expenses	-	-	-	(16,592)	(5,173)	(39,497)	-	(61,262)	(812)	(62,074)
<b>Total comprehensive (expenses)/income</b>	-	-	-	(16,592)	(5,173)	(39,497)	77,160	15,898	71	15,969
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(23)	(23)
<b>Total distributions to Owners</b>	-	-	-	-	-	-	-	-	(23)	(23)
Acquisitions of additional interests in a subsidiary from non-controlling interests:										
- Accretion of equity interests	-	-	-	-	-	-	-	-	(564)	(564)
- Gain on acquisitions	-	-	-	-	-	-	314	314	-	314
Exercise of warrants of a subsidiary:										
- Shares issued by a subsidiary	-	-	-	-	-	-	-	-	27	27
- Effects of dilution of interests in a subsidiary	-	-	-	-	-	-	(44)	(44)	44	-
<b>Total changes in ownership interest in a subsidiary</b>	-	-	-	-	-	-	270	270	(493)	(223)
Share buybacks by the Company	-	(1,038)	-	-	-	-	-	(1,038)	-	(1,038)
<b>Total transactions with Owners in their capacity as Owners</b>	-	(1,038)	-	-	-	-	270	(768)	(516)	(1,284)
<b>As at 31.3.2020</b>	2,095,310	(36,674)	63,451	(5,371)	(5,173)	72,293	2,819,246	5,003,082	73,469	5,076,551

(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 2020)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

	Current year to date ended 31.3.2021	Preceding year to date ended 31.3.2020 (Restated)
Note	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax	127,655	87,470
Adjustments for:		
Non-cash and non-operating items	2,468	11,905
Share of results of associates and a joint venture	(79,148)	(81,786)
Operating profit before changes in working capital	50,975	17,589
<i>Decrease/(Increase) in operating assets:</i>		
Inventories	27,579	17,164
Capital financing	(136,427)	(76,562)
Trade receivables	28,218	32,862
Other assets	(10,920)	(1,538)
Contract assets	(43,992)	16,534
<i>(Decrease)/Increase in operating liabilities:</i>		
Trade payables	(7,465)	2,700
Other liabilities	(9,549)	(42,696)
Contract liabilities	(6,053)	11,110
<i>Changes in working capital</i>	(158,609)	(40,426)
Cash used in operations	(107,634)	(22,837)
Income tax paid	(15,954)	(16,773)
Income tax refunded	939	3,886
Interest paid	(11,200)	(14,157)
Interest received	19,372	20,036
Net cash used in operating activities	(114,477)	(29,845)
<b>Cash Flows From Investing Activities</b>		
<i>Investment, divestment and income of assets:</i>		
Acquisitions of additional shares in subsidiaries from non-controlling interests	(1)	(250)
Expenditure incurred on investment properties	(5,923)	(546)
Funds distribution income received	1,208	2,259
Interest received	321	737
Proceeds from disposals of plant and equipment	44	65
Purchase of:		
- plant and equipment	(2,498)	(3,280)
- software licenses	(5)	(23)
<i>Net investment, divestment and income of assets</i>	(6,854)	(1,038)
<i>Dividends and shares:</i>		
Cash received from an associate for capital repayment in progress	45,000	-
Dividends received	40,617	-
<i>Net dealings with associates</i>	85,617	-
Net cash from/(used in) investing activities	78,763	(1,038)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS ENDED 31 MARCH 2021 (CONT'D)**

	Current year to date ended 31.3.2021	Preceding year to date ended 31.3.2020 (Restated)
Note	RM'000	RM'000
<b>Cash Flows From Financing Activities</b>		
<i>Funding in business:</i>		
Expenses incurred on borrowings	(102)	-
<i>Drawdowns/(Repayments):</i>		
Proceeds from/Drawdown of:		
- issuance of medium term notes and Sukuk	120,000	100,000
- loans	8,637	161,870
Redemptions/Repayments of:		
- medium term notes	(30,500)	(20,000)
- loans	(26,136)	(53,307)
- revolving credits - net	15,967	(90,307)
<i>Net drawdowns</i>	87,866	98,256
Interest paid	(8,146)	(14,606)
Payment of lease liabilities	(4,126)	(3,219)
<i>Dividends, share proceeds and share buybacks:</i>		
Dividend paid to non-controlling interests	-	(23)
Proceeds from:		
- exercise of warrants of a subsidiary	-	27
- issuance of shares to non-controlling interests	530	-
Share buybacks	-	(1,038)
<i>Net dealing with Owners</i>	530	(1,034)
Net cash generated from financing activities	76,124	79,397
<b>Net increase in cash and cash equivalents</b>	<b>40,410</b>	<b>48,514</b>
Effects of exchange rate changes	488	-
<b>Cash and cash equivalents at beginning of the period</b>	<b>662,702</b>	<b>590,044</b>
<b>Cash and cash equivalents at end of the period</b>	<b>703,600</b>	<b>638,558</b>
<b>Cash and cash equivalents comprised:</b>		
Cash, bank balances and short term funds	703,600	634,676
Cash and cash equivalents of disposal group classified as held for sale	-	3,882
	<b>703,600</b>	<b>638,558</b>

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2020)



## **QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

### **Explanatory notes to Quarterly Report for the current year to date ended 31 March 2021**

The unaudited interim financial report ("the quarterly report"), a condensed consolidated financial statement of the Group, has 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 2020 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 2020.

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 2020.

- (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 2021:**

**(i) Interest Rate Benchmark Reform**

On 30 September 2020, the MASB issued phase 2 of Interest Rate Benchmark Reform MFRS 9, MFRS 139, MFRS 7, MFRS 4 'Insurance Contracts' and MFRS 16 'Leases'. The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

In Malaysia, where the Group operates, the Group has applied the relief introduced by the MFRS 9 to assume the benchmark on which the hedged cash flows are based in not altered, as long as uncertainty remains.

The Group's treasury management centre is monitoring the development of the interest rate reform in the country and managing the Group's KLIBOR transition plan. The greatest change will be amendments to the contractual terms of the KLIBOR referenced floating rate debt and the associated swap and the corresponding update of the hedge designation.

The impact of the adoption of this amendment will be assessed once the uncertainty are addressed. Nevertheless, the interest rate benchmark reform does not expect to have material financial impact to the Group.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

**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 2021: (Cont'd)

(ii) **IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23) ("IFRIC IAS 23")**

The IFRS Interpretations Committee ('IFRIC') received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 'Borrowing Costs' and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:

- Any receivable and contract asset that the entity recognises is not a qualifying asset.
- Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

The MASB announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020. As such, the Group has applied the requirements for the change in accounting policy in accordance to MFRS 101 'Presentation of Financial Statements' by making restrospective restatement of items in financial statements.

The effects of the adoption of this IFRIC IAS 23 for the Group on the financial statements as at 1 January 2020 and 31 December 2020 are as follows:

<b>Statement of Financial Position as at 1.1.2020</b>	<b>As previously reported RM'000</b>	<b>Effect of adoption of IFRIC IAS 23 RM'000</b>	<b>As restated RM'000</b>
<b>Assets:</b>			
Non-current - Deferred tax assets	93,891	343	94,234
Current - Inventories	355,129	(1,926)	353,203
<b>Total Assets</b>	<b>8,367,430</b>	<b>(1,583)</b>	<b>8,365,847</b>
<b>Equity:</b>			
Retained profits	2,743,327	(1,511)	2,741,816
Reserves	2,929,789	(1,511)	2,928,278
Non-controlling interests	73,986	(72)	73,914
<b>Total Equity</b>	<b>5,063,449</b>	<b>(1,583)</b>	<b>5,061,866</b>
Net Assets per share attributable to Owners of the Company (RM)	<b>2.41</b>	<b>- @</b>	<b>2.41</b>

@ negligible

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

**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 2021: (Cont'd)

(ii) **IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23) ("IFRIC IAS 23") (Cont'd)**

The effects of the adoption of this IFRIC IAS 23 for the Group on the financial statements as at 1 January 2020 and 31 December 2020 are as follows: (Cont'd)

<b>Statement of Financial Position as at 31.12.2020</b>	<b>As previously reported RM'000</b>	<b>Effect of adoption of IFRIC IAS 23 RM'000</b>	<b>As restated RM'000</b>
<b>Assets:</b>			
Non-current - Deferred tax assets	68,134	(1,129)	67,005
Current - Inventories	252,050	4,387	256,437
<b>Total Assets</b>	<b>8,642,672</b>	<b>3,258</b>	<b>8,645,930</b>
<b>Equity:</b>			
Retained profits	2,997,781	3,214	3,000,995
Reserves	3,242,334	3,214	3,245,548
Non-controlling interests	69,386	44	69,430
<b>Total Equity</b>	<b>5,363,805</b>	<b>3,258</b>	<b>5,367,063</b>
Net Assets per share attributable to Owners of the Company (RM)	<b>2.57</b>	- @	<b>2.57</b>
<b>Statement of Profit or Loss for the financial year ended 31.3.2020</b>			
Cost of sales	(188,949)	1,710	(187,239)
Finance costs	(13,969)	(1,223)	(15,192)
<b>Profit before tax</b>	<b>86,983</b>	<b>487</b>	<b>87,470</b>
Tax expense	(9,352)	(75)	(9,427)
<b>Profit after tax</b>	<b>77,631</b>	<b>412</b>	<b>78,043</b>
<b>Profit attributable to:</b>			
Owners of the Company	76,766	394	77,160
Non-controlling interests	865	18	883
<b>Earnings per share attributable to Owners of the Company (sen):</b>			
Basic / Diluted	<b>3.71</b>	<b>0.02</b>	<b>3.73</b>

@ negligible

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

**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 2022**

**(1) Amendments to MFRS 3 'Business Combination - Reference to the Conceptual Framework'**

These amendments are applicable to business combinations for which the acquisition date is on or after 1 January 2022.

These amendments replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to 2018 Conceptual Framework for Financial Reporting; and clarify that the acquirer shall account for contingent liabilities and levy in accordance to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' and IC Interpretation 21 'Levies' respectively.

Such amendments also define a contingent asset as 'a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity'. The acquirer shall not recognise a contingent asset at the acquisition date.

**(2) Amendments to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of Fulfilling a Contract**

These amendments specify the costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The costs that relate directly to a contract consist the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

**(3) Amendments to MFRS 116 'Property, Plant and Equipment - Proceeds before Intended Use'**

These amendments prohibit an entity from deducting net proceeds of any items produced while bring the asset to that location and condition, including samples produced when testing equipment, against costs of property, plant and equipment. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of MFRS 102 'Inventories'.

These amendments clarify that directly attributable costs include costs of testing whether the asset is functioning properly (i.e. assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes).

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

- (c) 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)

(i) **For financial year beginning on/after 1 January 2022 (Cont'd)**

**(4) Annual Improvements to MFRS Standards 2018-2020 Cycle**

The annual improvements cover minor amendments to:

MFRS 9 'Financial Instruments' requires an entity to derecognise original financial liability and recognise a new financial liability when there is:

- (i) an exchange between an existing borrower and lender of debt instruments with substantially different terms; or
- (ii) a substantial modification of the terms of an existing financial liability or a part of it.

MFRS 9 specifies that the terms are substantially different if the discounted present value of the cash flows under the new terms using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability ("10 per cent test").

The amendment of MFRS 9 clarifies to include any fees paid net of any fees received in the 10 per cent test.

MFRS 141 'Agriculture' has been amended to remove the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The adoption of these amendments does not expect to have material financial impact to the Group.

(ii) **For financial year beginning on/after 1 January 2023**

**(1) Amendments to MFRS 101 'Presentation of Financial Statements'**

These amendments clarify the requirements for the classification of liabilities as current or non-current. The amendments aim to promote consistency in applying the requirements for the debt and other liabilities with an uncertain settlement date.

The classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. A liability to be classified as a current liability when an entity does not has the right to defer its settlement for at least twelve months.

**(2) Amendments to MFRS 101 'Disclosure of Accounting Policies' and MFRS Practice Statement 2 'Making Materiality Judgement'**

The amendments require entities to disclose accounting policy by replacing 'significant' accounting policies with 'material' accounting policies.

To support the amendments, MFRS Practice Statement 2 was also amended to provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

- (c) **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) For financial year beginning on/after 1 January 2023 (Cont'd)**

**(3) Amendments to MFRS 108 'Definition of Accounting Estimates'**

The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. A new definition of accounting estimates are defined as, "monetary amounts in financial statements that are subject to measurement uncertainty".

An accounting policy may require items in financial statements to be measured at monetary amounts that cannot be observed directly and must instead be estimated. Developing accounting estimates involves the use of judgements or assumptions based on the latest available reliable information.

The effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates unless they result from the correction of prior period errors.

The adoption of these amendments does not expect to have material financial impact to the Group.

**(iii) 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.

The adoption of these amendments does not expect to have material financial impact to the Group.

**A2. Seasonality or cyclicity of interim operations**

The performance of the Hotels and Resorts division of the Group is dependent 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.

However, the Group's operations especially Hotels and Resorts division were affected by implementation of Movement Control Orders ("MCO") in 2021.

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

Save for the impact of the MCO implemented in Malaysia to curb the spread of COVID-19, 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.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

**A4. Changes in estimates of amounts reported previously**

There were no material changes in estimates of amounts reported previously that have a material effect in the current quarter.

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

The issuances, repurchases and repayments of debt and equity securities of the Group for the current year to date are as follow:

**(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. There were no share buybacks for the current year to date.

**(b) Medium Term Note Programme ("MTN1") for the issuance of medium term notes of up to RM990.0 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 MTN1 pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. The MTN1 will give the Company the flexibility to raise funds via the issuance of MTNs of up to RM990.0 million in nominal value, which can be utilised for working capital requirements and repayment of borrowings of the Group. The MTN1 is unrated and has a tenure of fifteen (15) years from the date of its first issuance.

MTN1 is secured by:

- (1) First party legal charge by way of Memorandum of Deposit with Power of Attorney over shares in certain subsidiaries; and
- (2) 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.

MTN1 contain various covenants, including the following:

- (i) The Group shall maintain a gearing ratio of not exceeding 1.5 times throughout the tenure of MTN1.
- (ii) The Company shall maintain a security cover ratio of not less than 1.5 times throughout the tenure of MTN1.
- (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.

On 30 October 2015, 17 November 2016 and 1 December 2016, the Company issued a total of RM940.1 million of MTN1 with maturities commencing from year 2017 to 2022 and redeemable every 6 months commencing 18 and 30 months after the first issuance date. The proceeds raised from the issuance of the MTN1 were utilised for working capital requirements and repayment of borrowings of the Group.

On 17 March 2021, the Company redeemed a total of RM20.0 million of the MTN1. Since first issuance on 30 October 2015, the total amount redeemed in respect of MTN1 amounted to RM768.3 million. As at 31 March 2021, the outstanding amount of MTN1 stood at RM176.8 million.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

**(c) Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN2") both programmes for the issuance of MTNs and Sukuk with a combined limit of up to RM1.8 billion in nominal value**

On 9 March 2018, OSK I CM Sdn. Bhd. ("OSKICM"), a wholly-owned subsidiary of the Company, lodged a Sukuk 1 with SC. On 20 April 2018, OSKICM lodged MTN2 and re-lodged the Sukuk 1 with 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 programmes will give OSKICM the flexibility to raise funds via the issuance of Sukuk 1 or MTN2 with a combined limit of up to RM1.8 billion in nominal value, which can be utilised for working capital requirements and repayment of borrowings of the Group. Both Sukuk 1 and MTN2 are unrated and tradeable and have a perpetual tenure.

The terms of Sukuk 1 and MTN2 contain various covenants, including the following:

- (1) the Group shall maintain a gearing ratio of not exceeding 1.5 times at all times throughout the tenure of the Programme.
- (2) OSKICM shall set up or procure Trustees' Reimbursement Account with RM30,000 each in respect of Sukuk 1 and MTN2 which shall be maintained at all times throughout the tenure of the Programme.

**(i) Tranche 1 and 2 of MTN2**

On 30 April 2018 and 17 May 2018, OSKICM issued a total of RM250.0 million of Tranche 1 of MTN2 in 4 series with maturities commencing from year 2021 to 2028 and redeemable every 12 months commencing 12 months after the first issuance date. The Company redeemed a total of RM17.5 million of the Tranche 1 of MTN2 in 2018.

On 30 January 2019, OSKICM issued Tranche 2 of MTN2 of RM200.0 million in 7 series with maturities commencing from year 2020 to 2026, redeemable every 12 months commencing 12 months after the first issuance date.

Both proceeds from Tranche 1 and Tranche 2 of MTN2 were utilised for working capital requirements and repayment of borrowings of the Group.

For the current year to date, OSKICM redeemed, RM5.9 million of Tranche 1 and RM4.6 million of Tranche 2 of MTN2. Since first issuance on 30 April 2018, the total amount redeemed in respect of Tranche 1 and Tranche 2 amounted to RM126.4 million and RM105.2 million respectively. As at 31 March 2021, the outstanding amount of Tranche 1 and Tranche 2 of MTN2 stood at RM123.6 million and RM94.9 million respectively.

Both Tranche 1 and 2 of MTN2 require a Security Cover of not less than 2.0 times and are secured by:

- (1) shares in an associate of the Company ("Tranche 1 and 2 Pledged Shares"); and
- (2) all its rights, titles, interests and benefits in and under the share proceeds account ("PA") for Tranche 1 and 2 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 associate).



**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

**(c) Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN2") both programmes for the issuance of MTNs and Sukuk with a combined limit of up to RM1.8 billion in nominal value (Cont'd)**

**(ii) Tranche 2 of Sukuk 1**

On 23 July 2018, OSKICM issued a total of RM93.0 million, for acquisition of a piece of land for development, 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 since the first issuance date.

As at 31 March 2021, the outstanding amount of Tranche 2 of Sukuk 1 stood at RM93.0 million.

The Tranche 2 of Sukuk 1 is secured by:

- (1) 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;
- (2) 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 of OSK Property Holdings Berhad ("OSKPH"), which in turn is a subsidiary of the Company, and all monies from time to time standing to the credit thereto;
- (3) a development land charge under the provisions of the National Land Code 1965;
- (4) a debenture creating a first ranking fixed and floating charge over all its present and future assets in respect of the project; and
- (5) a FSRA, maintained by PV, of a minimum amount equivalent to three periodic profit payments.

**(iii) Tranche 3 of Sukuk 1**

On 5 November 2018, OSKICM issued Tranche 3 of Sukuk 1 for RM170.0 million to repay Company's borrowings. Tranche 3 of Sukuk 1 is redeemable every 6 months commencing 36 months after the first issuance date and with maturities commencing from year 2021 to 2025.

There were no redemption since the first issuance date.

As at 31 March 2021, the outstanding amount of Tranche 3 of Sukuk 1 stood at RM170.0 million.

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

- (1) shares in certain subsidiaries ("Pledged Shares");
- (2) all its rights, titles, interests and benefits in and under the shares proceeds account for Tranche 3 ("Tranche 3 Proceeds Account") maintained by the Company and all monies from time to time standing to the credit thereto (this proceeds account is mainly to capture dividend income receivable from certain subsidiaries);
- (3) all its rights, titles, interests and benefits in and under FSRA and Tranche 3 Operating Account maintained by OSKICM and all monies from time to time standing to the credit thereto; and
- (4) a FSRA, maintained by OSKICM, of a minimum amount equivalent to one periodic profit payment.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

**(d) Medium Term Note Programme ("MTN3") for the issuance of medium term notes of up to RM980.0 million nominal value in aggregate**

On 25 April 2019, OSKICM lodged with SC all the required information and relevant documents relating to the MTN3 pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. MTN3 is unrated and tradeable with a limit of up to RM980.0 million and has a perpetual tenure.

Proceeds raised from the issuance of the MTN3 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.

The terms of the MTN3 contain various covenants, including the following:

- (1) the Group shall maintain a gearing ratio of not exceeding 1.5 times throughout the tenure of the Programme.
- (2) OSKICM shall set up or procure Trustees' Reimbursement Account with a sum of RM30,000 in respect of MTN3 which shall be maintained at all times throughout the tenure of the Programme.

**(i) Tranche 1 of MTN3**

On 10 May 2019, OSKICM issued Tranche 1 of MTN3 for RM164.2 million in 15 series with maturities commencing from year 2020 to 2034, redeemable every 12 months commencing 12 months after the first issuance date. The proceeds were utilised to repay bank borrowings of a subsidiary.

Since the first issuance on 10 May 2019, the total amount redeemed in respect of Tranche 1 of MTN3 amounted to RM5.0 million. As at 31 March 2021, the outstanding amount of Tranche 1 of MTN1 stood at RM159.2 million.

The Tranche 1 of MTN3 is secured by:

- (1) all its rights, titles, interests and benefits to and in, amongst others:
  - (i) 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, subsidiaries of OSKPH, which in turn are subsidiaries of the Company and all monies from time to time standing to the credit thereto;
  - (ii) 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;
  - (iii) Debt Service Reserve Account ("DSRA") maintained by a subsidiary, ASG and all monies from time to time standing to the credit thereto;
  - (iv) Insurances of ASG and APM;
  - (v) Atria Mall and Carpark under the Sale and Purchase Agreement entered between ASG, APM and Atria Damansara Sdn. Bhd. ("AD"), a subsidiary of OSKPH, which in turn is a subsidiary of the Company;
- (2) 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
- (3) 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.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

**(d) Medium Term Note Programme ("MTN3") for the issuance of medium term notes of up to RM980.0 million nominal value in aggregate (Cont'd)**

**(ii) Tranche 2, Tranche 3 and Tranche 4 of MTN3**

OSKICM issued Tranche 2 of MTN3 for RM100.0 million and Tranche 3 of MTN3 for RM100.0 million on 30 September 2019 and 30 January 2020 respectively. Proceeds from both tranches were utilised for working capital requirements and redeemable after 5 years from the issuance date.

On 30 September 2020, OSKICM issued Tranche 4 of MTN3 for RM200.0 million in 8 series with maturities commencing from year 2021 to 2028, redeemable every 12 months commencing 12 months after the first issuance date. The proceeds were utilised for repayment of the existing bank borrowings of the Group.

There were no redemption for Tranche 2, Tranche 3 and Tranche 4 of MTN3 since the first issuance date.

The Tranche 2, Tranche 3 and Tranche 4 of MTN3 are secured by:

- (1) first party legal charge by the way of Memorandum of Deposit with Power of Attorney over shares of an associate of the Company;
- (2) 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
- (3) a DSRA, maintained by OSKICM, of a minimum amount equivalent to one month coupon payment.

**(e) Islamic Medium Term Notes (Sukuk Murabahah) Programme ("Sukuk-R"), which together with a Multi-Currency Medium Term Notes Programme ("MCMTN-R"), will have a combined limit of up to RM2.0 billion (or its equivalent in other currencies) in aggregate nominal value, guaranteed by the Company**

On 29 September 2020, OSK Rated Bond Sdn. Bhd. ("OSKRB"), a wholly-owned subsidiary of the Company lodged with SC all the required information and relevant documents relating to Sukuk-R/MCMTN-R pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. The tenure of the Sukuk-R/MCMTN-R Programme is perpetual. The proposed Sukuk-R/MCMTN-R to be issued by OSKRB will be guaranteed by the Company.

Malaysian Rating Corporation Berhad ("MARC") had via its letter dated 16 November 2020 informed the Company that MARC has assigned a final rating of AA<sub>IS</sub>/AA with stable outlook to OSKRB's Sukuk-R and MCMTN-R.

The terms of Sukuk-R and MCMTN-R contain various covenants, including the following:

- (1) the Group shall maintain a gearing ratio of not exceeding 1.5 times throughout the tenure of the Programme.
- (2) OSKRB shall set up or procure Trustees' Reimbursement Account with a sum of RM30,000 in respect of Sukuk-R and MCMTN-R which shall be maintained at all times throughout the tenure of the Programme.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

- (e) **Islamic Medium Term Notes (Sukuk Murabahah) Programme ("Sukuk-R"), which together with a Multi-Currency Medium Term Notes Programme ("MCMTN-R"), will have a combined limit of up to RM2.0 billion (or its equivalent in other currencies) in aggregate nominal value, guaranteed by the Company (Cont'd)**

**Series 1 of Sukuk-R and Series 1 of MCMTN-R**

On 12 March 2021, OSKRB issued Series 1 of Sukuk-R amounted to RM100.0 million and Series 1 of MCMTN-R amounted to RM20.0 million. Both issuance were at fixed rate of 3.55% per annum and redeemable 60 months after the issuance date. Proceeds from both issuances were utilised for working capital requirements and repayment of borrowings of the Group.

There were no redemption since the issuance date.

As at 31 March 2021, the outstanding amount of Series 1 of MCMTN-R and Series 1 of Sukuk-R1 stood at RM100.0 million and RM20.0 million respectively.

Summary of the MTNs and Sukuk outstanding amounts are as follows:

	<u>For current year to date</u>			<u>As at 31 March 2021</u>		
	<u>Issuance</u>	<u>Redemption</u>	<u>Outstanding</u>	<u>DSRA</u>	<u>FSRA</u>	<u>PA</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
(1) MTN1	-	20,000	171,825	4,225	-	-
(2) Tranche 1 of MTN2	-	5,950	123,550	-	-	14
(3) Tranche 2 of MTN2	-	4,550	94,855	-	-	33
(4) Tranche 2 of Sukuk 1	-	-	92,971	-	1,220	-
(5) Tranche 3 of Sukuk 1	-	-	170,000	-	744	37
(6) Tranche 1 of MTN3	-	-	159,200	697	-	-
(7) Tranche 2 of MTN3	-	-	100,000	369	-	-
(8) Tranche 3 of MTN3	-	-	100,000	368	-	-
(9) Tranche 4 of MTN3	-	-	200,000	518	-	-
(10) Series 1 of Sukuk-R	100,000	-	100,000	-	-	-
(11) Series 1 of MCMTN-R	20,000	-	20,000	-	-	-
	<u>120,000</u>	<u>30,500</u>	<u>1,332,401</u>	<u>6,177</u>	<u>1,964</u>	<u>84</u>
Less: Unamortised issuance expenses			<u>(1,016)</u>			
			<u>1,331,385</u>			

The interest rates of MTNs and profit rates of Sukuk 1 and 2 were ranges from 3.01% to 3.55% per annum.

Subsequent to reporting date, OSKRB had on 30 April 2021 further issued (i) Series 2 of Sukuk-R of RM373.0 million with a tenure of 7 years maturing on 28 April 2028 at periodic profit fixed rate of 4.39% per annum; (ii) Series 3 of Sukuk-R of RM205.0 million with a tenure of 10 years maturing on 28 April 2028 at periodic fixed rate of 4.52% per annum. Proceeds from both the issuances were utilised for working capital purposes and repayment of bank borrowings of the Group.

**A6. Dividends paid during the current year to date**

There were no dividend paid during the current year to date ended 31 March 2021.

On 11 May 2021, the Company paid a final dividend of RM61.9 million or 3.0 sen per ordinary share for year ended 31 December 2020.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

**A7. Segmental information**

The Group's businesses are organised into five (5) core business segments, based on the nature of the products and services, the operating results of each segment are regularly reviewed by Board of Directors and senior management of the Group to make decisions about resources allocation to the segment and assess its performance. The five core business segments are describe 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 associates 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 associate and a joint venture which dealt with letting of office 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 - Manufacturing and sale of Industrialised Building System ("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, room rental, food and beverage revenue and fee income.
- (ii) SGI Vacation Club - Management of vacation timeshare and sale of timeshare membership.

**(e) Financial Services & Investment Holding**

- (i) Capital Financing - Financing activities include generating interest, fee and related income on loans and financing portfolio.
- (ii) Investment Holding and Others - Investing activities and other insignificant business segments, where investments contribute dividend income and interest income as well as sharing of results of an associate which engaged in financial services business.

Business segment performance is evaluated based on operating results 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 each 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 year, there is no single external customer amounted to ten percent or more of the Group's revenue.

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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:

	<b>Financial Services &amp; Investment</b>					<b>Consolidated</b>
	<b>Property</b>	<b>Construction</b>	<b>Industries</b>	<b>Hospitality</b>	<b>Holding</b>	
<b>Current year to date ended 31.3.2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>						
Total revenue	222,588	42,503	53,437	8,123	83,311	409,962
Inter-segment revenue	(1,205)	(41,178)	-	-	(9,667)	(52,050)
Dividends from subsidiaries	-	-	-	-	(32,951)	(32,951)
Revenue from external parties	221,383	1,325	53,437	8,123	40,693	324,961
<b>Results</b>						
Segment profit/(loss)	40,240	17	1,873	(4,687)	10,767	48,210
Share of results of associates and a joint venture	15,924	-	-	-	63,224	79,148
	56,164	17	1,873	(4,687)	73,991	127,358
Realisation of profit upon completion of sale/(Elimination of unrealised profit)	2,859	405	-	-	(2,967)	297
<b>Profit/(Loss) before tax</b>	<b>59,023</b>	<b>422</b>	<b>1,873</b>	<b>(4,687)</b>	<b>71,024</b>	<b>127,655</b>
Tax (expense)/income	(5,802)	(76)	(446)	250	(4,045)	(10,119)
<b>Profit/(Loss) after tax</b>	<b>53,221</b>	<b>346</b>	<b>1,427</b>	<b>(4,437)</b>	<b>66,979</b>	<b>117,536</b>
<b>Preceding year to date ended 31.3.2020 (Restated)</b>						
<b>Revenue</b>						
Total revenue	144,996	50,925	65,933	17,682	174,838	454,374
Inter-segment revenue	(1,222)	(50,925)	(83)	(128)	(18,235)	(70,593)
Dividends from subsidiaries	-	-	-	-	(128,054)	(128,054)
Revenue from external parties	143,774	-	65,850	17,554	28,549	255,727
<b>Results</b>						
Segment profit/(loss)	5,415	(943)	4,251	(6,464)	4,229	6,488
Share of results of associates and a joint venture	26,356	-	-	-	55,430	81,786
	31,771	(943)	4,251	(6,464)	59,659	88,274
Realisation of profit upon completion of sale/(Elimination of unrealised profit)	27	(185)	-	-	(646)	(804)
<b>Profit/(Loss) before tax</b>	<b>31,798</b>	<b>(1,128)</b>	<b>4,251</b>	<b>(6,464)</b>	<b>59,013</b>	<b>87,470</b>
Tax (expense)/income	(3,789)	296	(1,288)	24	(4,670)	(9,427)
<b>Profit/(Loss) after tax</b>	<b>28,009</b>	<b>(832)</b>	<b>2,963</b>	<b>(6,440)</b>	<b>54,343</b>	<b>78,043</b>
Comparison of profit/(loss) before tax:						
Increase/(Decrease) in profit/(loss) before tax	27,225	1,550	(2,378)	1,777	12,011	40,185
% of increase/(decrease)	86%	>100%	(56%)	27%	20%	46%

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**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 & Investment Holding	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 31.3.2021</b>						
<b>Assets</b>						
Tangible assets	2,844,422	39,821	195,775	343,178	1,400,361	4,823,557
Intangible assets	209	-	-	-	825	1,034
	<b>2,844,631</b>	<b>39,821</b>	<b>195,775</b>	<b>343,178</b>	<b>1,401,186</b>	<b>4,824,591</b>
Investments in associates and a joint venture	616,966	-	-	-	3,207,715	3,824,681
<b>Segment assets</b>	<b>3,461,597</b>	<b>39,821</b>	<b>195,775</b>	<b>343,178</b>	<b>4,608,901</b>	<b>8,649,272</b>
Deferred tax assets and tax recoverable	54,158	1,020	57	24,646	4,736	84,617
<b>Total assets</b>	<b>3,515,755</b>	<b>40,841</b>	<b>195,832</b>	<b>367,824</b>	<b>4,613,637</b>	<b>8,733,889</b>
<b>Liabilities</b>						
<b>Segment liabilities</b>	<b>1,429,256</b>	<b>58,740</b>	<b>36,611</b>	<b>248,201</b>	<b>1,441,152</b>	<b>3,213,960</b>
Deferred tax liabilities and tax payable	94,663	26	9,335	7,110	11,479	122,613
<b>Total liabilities</b>	<b>1,523,919</b>	<b>58,766</b>	<b>45,946</b>	<b>255,311</b>	<b>1,452,631</b>	<b>3,336,573</b>
<b>As at 31.12.2020 (Restated)</b>						
<b>Assets</b>						
Tangible assets	2,880,541	39,466	203,048	345,996	1,212,541	4,681,592
Intangible assets	236	-	-	-	849	1,085
	<b>2,880,777</b>	<b>39,466</b>	<b>203,048</b>	<b>345,996</b>	<b>1,213,390</b>	<b>4,682,677</b>
Investments in associates and a joint venture	635,400	-	-	-	3,245,428	3,880,828
<b>Segment assets</b>	<b>3,516,177</b>	<b>39,466</b>	<b>203,048</b>	<b>345,996</b>	<b>4,458,818</b>	<b>8,563,505</b>
Deferred tax assets and tax recoverable	51,557	1,962	38	24,421	4,447	82,425
<b>Total assets</b>	<b>3,567,734</b>	<b>41,428</b>	<b>203,086</b>	<b>370,417</b>	<b>4,463,265</b>	<b>8,645,930</b>
<b>Liabilities</b>						
<b>Segment liabilities</b>	<b>1,453,709</b>	<b>62,116</b>	<b>40,134</b>	<b>259,124</b>	<b>1,338,470</b>	<b>3,153,553</b>
Deferred tax liabilities and tax payable	96,891	26	9,441	7,173	11,783	125,314
<b>Total liabilities</b>	<b>1,550,600</b>	<b>62,142</b>	<b>49,575</b>	<b>266,297</b>	<b>1,350,253</b>	<b>3,278,867</b>
(Decrease)/Increase in segment assets	(54,580)	355	(7,273)	(2,818)	150,083	85,767
% of (decrease)/increase	(2%)	<1%	(4%)	(<1%)	3%	1%
(Decrease)/Increase in segment liabilities	(24,453)	(3,376)	(3,523)	(10,923)	102,682	60,407
% of (decrease)/increase	(2%)	(5%)	(9%)	(4%)	8%	2%

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**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) and Australia (Property Development, Property Investment and Capital Financing). 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:

	<b>Malaysia</b>	<b>Australia</b>	<b>Vietnam</b>	<b>Others</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Current year to date ended 31.3.2021</b>					
Revenue	99,742	225,219	-	-	324,961
Profit before tax	111,813	15,842 #	-	-	127,655
<b>Preceding year to date ended 31.3.2020 (Restated)</b>					
Revenue	246,239	-	9,488 @	-	255,727
Profit/(Loss) before tax	64,024	23,630	(133)@	(51)	87,470
<b>As at 31.3.2021</b>					
Non-current assets ^	2,447,406	3,463	-	-	2,450,869
<b>As at 31.12.2020</b>					
Non-current assets ^	2,462,902	3,421	-	-	2,466,323

# Included share of profit of an associate, Yarra Park City Pty. Ltd., of RM15.9 million.

@ Operating results of OVI covered period from 1 January 2020 to 31 March 2020, as the Group ceased its control on 30 June 2020.

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



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**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")**

Acquisitions of additional equity interests from non-controlling interests of PJDH, a subsidiary of the Company. During the current year to date, the Company acquired 1,000 ordinary shares PJDH for a total amount of RM1,200.

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

	<b>RM'000</b>
Net assets acquired from non-controlling interests	(3)
Gains on consolidation recognised in statement of changes in equity	2
Cash outflow on acquisitions of additional ordinary shares in PJDH	<u>(1)</u>

**(b) Incorporation and shareholdings arrangement of OSK Lyte Sdn. Bhd.**

On 20 January 2021, OSK Fintech Sdn. Bhd. ("OSKFT"), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary, OSK Lyte Sdn. Bhd. ("OSKL"), with an issued and paid up capital of RM1 comprising one (1) ordinary share. The principal activity of this company is to operate technology and financing platform to provide solutions to freelancers and Small and Medium-Sized Enterprises ("SMEs").

On 15 March 2021, OSKFT entered into a shareholders agreement with Lyte Ventures Sdn. Bhd. ("LVSB") for the subscription of the shares in OSKL, a subsidiary of OSKFT, which in turn is a subsidiary of the Company.

LVSB is a company incorporated in Malaysia, is a subsidiary of Lyte Ventures Pte. Ltd., a company incorporated in Singapore, owned by an external party not related to the Group, which carries on the business of providing financing solutions to freelancers, freelance entrepreneurs and SMEs. With this share agreement, LVSB was given the right to subscribe up to 49% of the total issued and paid-up share capital of the OSKL.

On 18 March 2021, OSKFT and LVSB subscribed for 2,039,999 and 1,960,000 new ordinary shares for RM2,029,999 and RM1,960,000 in OSKL respectively. The issued and paid up ordinary share capital of OSKL increased from RM1 to RM4,000,000. The LVSB's subscription of RM1,960,000 was by the way of cash of RM500,000 and the balance was in kind via providing access rights to a financing platform to provide solutions to freelancers and SMEs. Accordingly, OSKFT's equity interests in OSKL decreased from 100% to 51%.

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

**(c) Subscription of ordinary shares**

- (i) On 2 March 2021, the Company subscribed for 1,000,000 new ordinary shares of RM1 each in OSK RE Sdn. Bhd. ("OSK RE"). Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM1,001,001. The principal activities of OSK RE are to operate generation facilities that produce solar energy, provides solar power purchase agreement and/or solar leasing services. The Company's equity interests in OSK RE remained at 100%.
- (ii) On 4 March 2021, the Company subscribed for 499,999 new ordinary shares at RM1 each in OSK Factoring Sdn. Bhd. ("OSK Factoring"). Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM500,000. The principal activity of OSK Factoring is provision of factoring facilities. The Company's equity interests in OSK Factoring remained at 100%.
- (iii) On 4 March 2021, the Company subscribed for 499,999 new ordinary shares at RM1 each in OSK Syariah Capital Sdn. Bhd. ("OSKSC"). Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM500,000. The principal activity of OSKSC is provision of Islamic capital financing. The Company's equity interests in OSKSC remained at 100%.
- (iv) On 4 March 2021, the Company subscribed for 2,039,999 new ordinary shares at RM1 each in OSKFT. Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM2,040,000. The principal activity of OSKFT is investment holding. The Company's equity interests in OSKFT remained at 100%.
- (v) On 4 March 2021 and 25 March 2021, the Company subscribed for 70,000 and 140,000 new ordinary shares at RM1 each in OSK Learning Academy Sdn. Bhd. ("OSKLA"), respectively. Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM210,001. The principal activity of OSKLA is learning academy. The Company's equity interests in OSKLA remained at 100%.

**(d) Changes of shareholding in Aspect Vision Sdn. Bhd.**

On 2 March 2021, OSK Property Holdings Berhad. ("OSKPH"), a subsidiary of the Company, entered into a shareholders agreement with Pakatan Laksana (M) Sdn. Bhd. ("PLM") for the subscription of the shares in the Aspect Vision Sdn. Bhd. ("AVSB"), a wholly-owned subsidiary of OSKPH, which in turn is a subsidiary of the Company.

In the shareholders agreement, PLM is entitled to subscribe up to 30% of the total issued and paid up share capital of the AVSB.

On 24 March 2021, the issued and paid up ordinary share capital of AVSB increased from RM1 to RM100,000. OSKPH and PLM subscribed for 69,999 and 30,000 new ordinary shares in AVSB, respectively. The proceeds from capital injection were used for working capital purposes. OSKPH's equity interests in AVSB decreased from 100% to 70%.

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

Other than the further issuance of Sukuk-R as disclosed in note A5, there were no material events after the end of the current quarter.

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**A10. Commitments**

	As at <b>31.3.2021</b> RM'000	As at 31.12.2020 RM'000
<b>(a) Significant unrecognised contractual commitments</b>		
Contracted but not provided for:		
- Acquisition of land held for property development	126,643	135,643
- Acquisition of office equipment and software licences	796	776
- Acquisition of property, plant and equipment	1,194	1,440
- Factory expansion	124	124
- Investment property under construction	11,410	14,500
- Professional fee	-	887
- Renovation costs	1,842	2,570
	<b>142,009</b>	<b>155,940</b>
<b>(b) Operating lease commitments - the Group as lessor</b>		
Not later than one year	16,713	20,488
Later than one year and not later than five years	15,276	17,572
Later than five years	31,032	31,223
	<b>63,021</b>	<b>69,283</b>

**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**

<u>Entities</u>	<u>Nature of transactions</u>	Income/(Expenses) Current year to date ended <b>31.3.2021</b> RM'000
<b>(a) Associates:</b>		
RHB Asset Management Sdn. Bhd.	- Fund distribution income	1,208
RHB Bank Berhad	- Office rental income	211
	- Interest expense	(3,053)
RHB Islamic Bank Berhad	- Interest expense	(2,208)
<b>(b) Other related parties:</b>		
Sincere Source Sdn. Bhd.	- Insurance premium expense	(778)

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**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
<b>As at 31.3.2021</b>				
<b>Non-financial assets</b>				
Biological assets	-	-	357	357
Investment properties	-	18,151	409,835	427,986
<b>Financial assets</b>				
Securities at fair value through profit or loss	218	-	-	218
Short term funds	485,016	-	-	485,016
	<b>485,234</b>	<b>18,151</b>	<b>410,192</b>	<b>913,577</b>
<b>As at 31.12.2020</b>				
<b>Non-financial assets</b>				
Biological assets	-	-	54	54
Investment properties	-	14,921	409,651	424,572
<b>Financial assets</b>				
Securities at fair value through profit or loss	225	-	-	225
Short term funds	470,110	-	-	470,110
	<b>470,335</b>	<b>14,921</b>	<b>409,705</b>	<b>894,961</b>

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 FIRST QUARTER ENDED 31 MARCH 2021**

**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 March 2021**

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

	<b>Current quarter ended 31.3.2021 1Q21</b>	<b>Comparative quarter ended 31.3.2020 1Q20 (Restated)</b>	<b>change</b>	<b>Current year to date ended 31.3.2021 3M21</b>	<b>Preceding year to date ended 31.3.2020 3M20 (Restated)</b>	<b>change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Revenue</b>						
<b>1. Property</b>	<b>221,383</b>	143,774	54%	<b>221,383</b>	143,774	54%
<i>Construction revenue</i>	42,503	50,925	(17%)	42,503	50,925	(17%)
<i>Inter-segment revenue</i>	(41,178)	(50,925)	19%	(41,178)	(50,925)	19%
<b>2. Construction</b>	<b>1,325</b>	-	>100%	<b>1,325</b>	-	>100%
<b>3. Industries</b>	<b>53,437</b>	65,850	(19%)	<b>53,437</b>	65,850	(19%)
<b>4. Hospitality</b>	<b>8,123</b>	17,554	(54%)	<b>8,123</b>	17,554	(54%)
<b>5. Financial Services &amp; Investment Holding</b>	<b>40,693</b>	28,549	43%	<b>40,693</b>	28,549	43%
Revenue	<b>324,961</b>	255,727	27%	<b>324,961</b>	255,727	27%
<b>Pre-tax profit/(loss)</b>						
<b>1. Property</b>	<b>59,023</b>	31,798	86%	<b>59,023</b>	31,798	86%
<b>2. Construction</b>	<b>422</b>	(1,128)	>100%	<b>422</b>	(1,128)	>100%
<b>3. Industries</b>	<b>1,873</b>	4,251	(56%)	<b>1,873</b>	4,251	(56%)
<b>4. Hospitality</b>	<b>(4,687)</b>	(6,464)	27%	<b>(4,687)</b>	(6,464)	27%
<b>5. Financial Services &amp; Investment Holding</b>	<b>71,024</b>	59,013	20%	<b>71,024</b>	59,013	20%
Pre-tax profit	<b>127,655</b>	87,470	46%	<b>127,655</b>	87,470	46%
Comprised of:						
Pre-tax profit from the business	<b>48,507</b>	5,684	>100%	<b>48,507</b>	5,684	>100%
Share of results of associates and a joint venture	<b>79,148</b>	81,786	(3%)	<b>79,148</b>	81,786	(3%)
Pre-tax profit	<b>127,655</b>	87,470	46%	<b>127,655</b>	87,470	46%

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

**B1. Performance analysis of the Group for the current quarter and current year to date ended 31 March 2021 (Cont'd)**

*(a) Current Quarter ("1Q21") compared with Comparative Quarter of Preceding Year ("1Q20")*

The Group registered revenue of RM325.0 million and pre-tax profit of RM127.7 million in 1Q21 compared with revenue of RM255.7 million and pre-tax profit of RM87.5 million in 1Q20, representing an increase of RM69.3 million or 27% in revenue and RM40.2 million or 46% in pre-tax profit. All segments within the Group recorded better results with the exception of the Industries Segment.

The Property Segment recorded revenue of RM221.4 million and pre-tax profit of RM59.0 million in 1Q21 compared with revenue of RM143.8 million and pre-tax profit of RM31.8 million in 1Q20, representing an increase of RM77.6 million or 54% in revenue and RM27.2 million or 86% in pre-tax profit. The Property Division revenue and pre-tax profit were mainly contributed by the on-going projects, i.e. Bandar Puteri Jaya, Irangan Bayu, You City III and Ryan & Miho. The improvement was mainly due to higher number of units sold and progress on construction work done for the on-going projects in 1Q21 as compared to 1Q20 where the sales operations and construction progress of the Division were halted by the implementation of MCO in mid-March 2020. The joint venture projects, Melbourne Square ("MSQ") and Agile-Mont Kiara, contributed share of profits of RM16.2 million in 1Q21 against RM26.5 million in 1Q20. The share of profit from MSQ was from profit recognised upon settlement by purchasers on handing over of completed MSQ properties. The Property Investment Division posted a pre-tax profit in 1Q21 compared to pre-tax loss in 1Q20 as most tenants were allowed to operate during 1Q21 resulted in lower rental concession and impairment loss on trade receivables.

The Construction Segment registered revenue of RM42.5 million and pre-tax profit of RM0.4 million in 1Q21 compared with revenue of RM50.9 million and pre-tax loss of RM1.1 million in 1Q20, representing a decrease of RM8.4 million or 17% in revenue and an improvement of RM1.5 million in pre-tax performance. Although lower revenue recorded, the pre-tax performance improved mainly due to higher realisation of profit in line with the progress billings recorded in the Property Development Division.

The Industries Segment registered revenue of RM53.4 million and pre-tax profit of RM1.9 million in 1Q21 compared with revenue of RM65.9 million and pre-tax profit of RM4.3 million in 1Q20, representing a decrease of RM12.5 million or 19% in revenue and RM2.4 million or 56% in pre-tax profit. The lower revenue was as a result of weaker demand. The pre-tax profit was lower due to increase in production costs arising from hike in raw material prices in particular copper.

The Hospitality Segment reported revenue of RM8.1 million and pre-tax loss of RM4.7 million in 1Q21 compared with revenue of RM17.6 million and pre-tax loss of RM6.5 million in 1Q20, representing a decrease of RM9.5 million or 54% in revenue and a reduction of RM1.8 million or 27% in pre-tax loss. The tourism industry continued to be impacted by the COVID-19 and operations suffered another set-back in 1Q21 with the implementation of MCO 2.0 in January 2021 which restrict the inter-district and inter-state travels for leisure activities. Nevertheless, the Hotel Division recorded lower pre-tax loss during the quarter due to cost rationalisation exercise executed in year 2020. SGI Vacation Club Division recorded higher revenue and pre-tax profit in 1Q21 in line with higher number of memberships sold.

The Capital Financing Division registered revenue of RM22.2 million and pre-tax profit of RM14.1 million in 1Q21 compared with revenue of RM24.0 million and pre-tax profit of RM13.9 million in 1Q20, representing a decrease of RM1.8 million or 8% in revenue and slight increase of RM0.2 million or 2% in pre-tax profit. The lower revenue reported were due to lower fee income recognised as there were lower amount of loan disbursed in 1Q21 while the pre-tax profit maintained relatively consistent due to cost savings.

The Investment Holding Division reported pre-tax profit of RM56.9 million in 1Q21 compared with RM45.1 million in 1Q20, representing an increase of RM11.8 million or 26% in pre-tax profit. The improved performance was mainly due to higher profit being recorded by RHB which contributed a profit of RM63.2 million in 1Q21 compared with RM55.4 million in 1Q20.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

**B2. Commentary on pre-tax profit for current quarter compared with immediate preceding quarter**

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

**Overall performance analysis for current quarter compared with immediate preceding quarter**

	<b>Current quarter ended 31.3.2021 1Q21 RM'000</b>	Immediate preceding quarter ended 31.12.2020 4Q20 (Restated) RM'000	change %
<b>Revenue</b>			
<b>1. Property</b>	<b>221,383</b>	230,902	(4%)
<i>Construction revenue</i>	42,503	48,549	(12%)
<i>Inter-segment revenue</i>	(41,178)	(48,549)	15%
<b>2. Construction</b>	<b>1,325</b>	-	
<b>3. Industries</b>	<b>53,437</b>	53,554	(0%)
<b>4. Hospitality</b>	<b>8,123</b>	11,658	(30%)
<b>5. Financial Services &amp; Investment Holding</b>	<b>40,693</b>	39,429	3%
Revenue	<b>324,961</b>	335,543	(3%)

**Pre-tax profit/(loss)**

<i>Property performance</i>	59,023	138,231	(57%)
<i>Impairment loss on property, plant and equipment and fair valuation loss on investment properties</i>	-	(29,544)	
<b>1. Property</b>	<b>59,023</b>	108,687	(46%)
<b>2. Construction</b>	<b>422</b>	1,141	(63%)
<b>3. Industries</b>	<b>1,873</b>	7,345	(74%)
<i>Hospitality performance</i>	(4,687)	(4,781)	2%
<i>Impairment loss on property, plant and equipment</i>	-	(16,840)	
<b>4. Hospitality</b>	<b>(4,687)</b>	(21,621)	78%
<b>5. Financial Services &amp; Investment Holding</b>	<b>71,024</b>	48,375	47%
Pre-tax profit	<b>127,655</b>	143,927	(11%)
Comprised of:			
Pre-tax profit from the business	<b>48,507</b>	98,656	(51%)
Share of results of associates and a joint venture	<b>79,148</b>	45,271	75%
Pre-tax profit	<b>127,655</b>	143,927	(11%)

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

Current Quarter ("1Q21") compared with Immediate Preceding Quarter ("4Q20")

The Group registered revenue of RM325.0 million and pre-tax profit of RM127.7 million in 1Q21 compared with revenue of RM335.5 million and pre-tax profit of RM143.9 million in 4Q20, representing a decrease of RM10.5 million or 3% in revenue and RM16.2 million or 11% in pre-tax profit. All business segments reported a lower pre-tax profit in 1Q21 compared 4Q20 except for Financial Services and Investment Holdings Segment which showed an improved performance.

The Property Segment recorded revenue of RM221.4 million and pre-tax profit of RM59.0 million in 1Q21 compared with revenue of RM230.9 million and pre-tax profit of RM108.7 million in 4Q20, representing a decrease of RM9.5 million or 4% in revenue and RM49.7 million or 46% in pre-tax profit. Despite a slightly lower revenue recorded, the pre-tax profit reduced substantially from the immediate preceding quarter as there were additional profit recognised from the completion of projects in 4Q20. The lower profit from Malaysia property development were cushioned by higher share of profit from MSQ project of RM15.9 million compared with RM7.9 million in 4Q20. Excluding the one-off impairment and fair value loss provided in 4Q20, the Property Investment Division reported consistent profit for both quarters.

The Construction Segment recorded revenue of RM42.5 million and pre-tax profit of RM0.4 million in 1Q21 compared with revenue of RM48.5 million and pre-tax profit of RM1.1 million in 4Q20, representing a decrease of RM6.0 million or 12% in revenue and RM0.7 million or 63% in pre-tax profit. This Segment recorded lower pre-tax profit mainly due to lower progress billings from on-going projects.

The Industries Segment recorded revenue of RM53.4 million and pre-tax profit of RM1.9 million in 1Q21 compared with revenue of RM53.6 million and pre-tax profit of RM7.3 million in 4Q20, representing a decrease of RM0.2 million in revenue and RM5.4 million or 74% in pre-tax profit. Despite revenue remained consistent, the Industries Segment suffered a profit margin compression in the current quarter due to rising raw material prices in particularly copper which were heavily used in the Cable Division resulted in lower pre-tax profit.

The Hospitality Segment registered revenue of RM8.1 million and core pre-tax loss of RM4.7 million in 1Q21 compared with revenue of RM11.7 million and core pre-tax loss of RM4.8 million (excluding one-off impairment loss on property, plant and equipment of RM16.8 million) in 4Q20, representing a decrease of RM3.6 million or 30% in revenue and an improve of RM0.1 million or 2% in core pre-tax performance. The performance of Hotel Division continued to be affected by the conditions imposed under MCO 2.0 where inter-district and inter-state travels for leisure are banned, limiting the exposure to domestic holiday makers.

The Capital Financing Division recorded revenue of RM22.2 million and pre-tax profit of RM14.1 million in 1Q21 compared with revenue of RM20.3 million and pre-tax profit of RM11.3 million in 4Q20, representing an increase of RM1.9 million or 9% in revenue and RM2.8 million or 25% in pre-tax profit. The improved performance of this Division was due to revenue generated from higher loan disbursed in 1Q21. The Capital Financing portfolio has increased to RM959.3 million as at 31 March 2021 from RM822.9 million as at 31 December 2020.

The Investment Holding Division reported pre-tax profit of RM56.9 million in 1Q21 compared with RM37.1 million in 4Q20, representing an increase of RM19.8 million or 54% in pre-tax profit. The improved performance was mainly due to increase in share of profit in RHB of RM63.2 million in 1Q21 compared with RM42.0 million in 4Q20 in line with the higher profit recorded by RHB.



**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

(a) Prospects for the remaining year 2021 ("FY21")

With the rising number of COVID-19 cases and re-implementation of MCO since beginning of FY21, certain economic activities are expected to remain challenging in the current financial year. The property, retail and hospitality sectors will continue to be volatile and uncertain.

In managing the Group's operations, the Management is committed to ensure that all business divisions continue to comply strictly to the Standard Operating Procedures ("SOPs") imposed by the Government and adhere to the Group's business continuity plan.

The performance of the Property Division will continue to be supported by the recognition of revenue from progress billings of those properties sold on on-going projects, new sales from these on-going projects and sales from new projects targeted to be launched this year. The Division planned to launch five projects with a total GDV of RM1.1 billion in FY2021. These projects which are located in strategic locations in Klang Valley, Seremban and Sungai Petani providing a continuous revenue stream for sustainability of the Division.

In Australia, the construction of Phase 1 residential development was completed in early January 2021 and the settlement from the purchasers in relation to the final batches has commenced since then. The settlement of the secured sales of the residential units, including the completion of condition precedent and settlement from the sale of the retail center, is expected to flow over to 2Q21, thus provide earnings visibility for MSQ.

As at 31 March 2021, the Group has effective unbilled sales of RM0.9 billion with nominal unsold completed stocks and land bank totaling 2,206 acres with an estimated effective GDV of RM14.6 billion in the Klang Valley, Sungai Petani, Butterworth, Kuantan, Seremban and Melbourne, Australia. The Property Development Division will remain as a key contributor to the performance of the Group for the remaining FY21.

The COVID-19 pandemic doesn't seem to be abating. On the contrary, there were spikes in new cases which forced the government to implement MCO 3.0 nationwide. In view of the current situation, the performance of the Property Investment Division will remain lackluster. As at 31 March 2021, the occupancies of Atria Shopping Gallery, Plaza OSK and Faber Towers stood at 94%, 93% and 69% respectively. The ability to defend the net property income and occupancy rates especially in the mall remain an uphill task with the continuous disruption due to MCOs on the footfall to the mall and on our tenants' businesses.

The Construction Division will continue to deliver its current outstanding order book of RM154.6 million as at 31 March 2021 and targets to replenish new orders from pipeline projects from the Property Development Division. This Segment will continue to focus on the Group's internal projects and strive to ensure that our projects are delivered within the stipulated time, quality and at the same time optimising the development cost.

The Industries Segment continues to tap on private and public sector projects undertaken by its existing customers. The Segment will continue to 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 Division's profit contribution is dependent on the recovery of the property development activities and successful roll-out of the mega infrastructure construction projects.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

(a) Prospects for the remaining year 2021 ("FY21") (Cont'd)

The implementation of MCO 3.0 nationwide and the restriction on inter-districts and inter-state travels for leisure will continue to have significant impact on the occupancy rates of our hotels. Swiss-Garden Hotel & Residences Genting Highlands and Swiss-Garden Beach Resort Kuantan are opened for business with low room inventory. Swiss-Garden Beach Resort Damai Laut and Swiss-Inn Johor Bharu are closed for renovation for their respective rebranding exercise. The reopening of these two hotels is expected to contribute positively to the performance of the Division. However, the ability and effectiveness to control the spread of COVID-19 might affect the initial plans. We will continue with the strategies on cost optimisation that were implemented since 2020 to mitigate the potential losses from the pro-longed unfavourable situation.

The demand for SGI Vacation Club new memberships were mainly impacted by travel restrictions and consumers became more cautions in spending on non-essential services in time of uncertainty. SGI Vacation Club will continue to focus on selling the membership as the product remains attractive due to its affordability and appealing range of resort destinations featured in Malaysia.

The performance of the Financial Services and Investment Holding Segment is dependent on RHB Group's performance and Capital Financing business expansion. Given the challenging economic environment, Capital Financing Division will continue to adopt prudent risk management strategy in approving new loans and continue to monitor the existing loan portfolio and value of its collaterals to minimise non-performing loans.

The Group will continue with its prudent business strategies and financial discipline to weather through the challenging economic environment. Barring any prolonged global economic disruption, the Group is expected to continue to perform satisfactorily in FY21.

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

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

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

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

**B5. Profit forecast/profit guarantee previously announced**

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

**B6. Tax expense**

	<b>Current quarter ended 31.3.2021 RM'000</b>	<b>Current year to date ended 31.3.2021 RM'000</b>
In respect of the current year income tax	(14,467)	(14,467)
Under provision of income tax in respect of prior years	(5)	(5)
Deferred income tax	4,353	4,353
Income tax expense	<u>(10,119)</u>	<u>(10,119)</u>

Excluding share of results of associates and a joint venture, the current effective tax rate is 21%.

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

As at 20 May 2021 (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.

**(b) Status of utilisation of proceeds raised from any corporate proposal**

There were no proceeds raised from any corporate proposal.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

**(a) The Group's borrowings and debt securities at end of the current year to date**

	Non-current		Current		Total
	USD'000	RM'000	USD'000	RM'000	RM'000
<b>As at 31.3.2021</b>					
<b>Secured</b>					
Bankers' acceptances - MYR	-	-	-	7,100	7,100
Medium term notes and Sukuk - MYR (Note A5)	-	1,286,495	-	44,890	1,331,385
Revolving credits - MYR	-	-	-	127,870	127,870
Term/Bridging - MYR	-	145,297	-	14,547	159,844
Term loan - USD (1 : 4.1590) #	36,000	149,127	-	-	149,127
		<u>1,580,919</u>		<u>194,407</u>	<u>1,775,326</u>
<b>Unsecured</b>					
Revolving credits - MYR	-	-	-	714,414	714,414
		-		<u>714,414</u>	<u>714,414</u>
<b>Total</b>		<u>1,580,919</u>		<u>908,821</u>	<u>2,489,740</u>
<b>As at 31.12.2020</b>					
<b>Secured</b>					
Bankers' acceptances - MYR	-	-	-	12,050	12,050
Medium term notes and Sukuk - MYR (Note A5)	-	1,202,884	-	38,885	1,241,769
Revolving credits - MYR	-	-	-	131,520	131,520
Term/Bridging - MYR	-	156,889	-	15,504	172,393
Term loan - USD (1 : 4.0130) #	36,000	144,468	-	-	144,468
		<u>1,504,241</u>		<u>197,959</u>	<u>1,702,200</u>
<b>Unsecured</b>					
Revolving credits - MYR	-	-	-	694,797	694,797
		-		<u>694,797</u>	<u>694,797</u>
<b>Total</b>		<u>1,504,241</u>		<u>892,756</u>	<u>2,396,997</u>

The details of MTNs and Sukuk are disclosed in Note A5(b) to (e).

# As disclosed in Note B14, a cross-currency interest rate swap is formalised to hedge the forex exchange, changes in forex is accounted for in Statement of Comprehensive Income. Upon expiring of such CCIRS, such changes will be reversed accordingly.

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

- (i) During the period, there were no material changes in debt securities other than the changes for working capital requirements. The details of MTNs and Sukuk are disclosed in Note A5(b) to (e).
- (ii) The increase in the borrowings were used for working capital purpose.
- (iii) Borrowing of USD36.0 million has been hedged to MYR via USD/MYR cross currency interest rate swap transaction and the contracted USD/MYR forex rate was 4.0840.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

**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**

No dividend has been declared for the current year to date ended 31 March 2021.

**B11. Earnings Per Share ("EPS")**

	<b>Current quarter ended</b>	Comparative quarter ended (Restated)	<b>Current year to date ended</b>	Preceding year to date ended (Restated)
	<b>31.3.2021</b>	31.3.2020	<b>31.3.2021</b>	31.3.2020
Profit attributable to Owners of the Company (RM'000)	<b>116,410</b>	77,160	<b>116,410</b>	77,160
Weighted average number of ordinary shares outstanding ('000)	<b>2,062,104</b>	2,070,937	<b>2,062,104</b>	2,070,937
<b>Basic / Diluted EPS (sen)</b>	<b>5.65</b>	3.73	<b>5.65</b>	3.73

There are no potential issuance of ordinary shares or instruments that are dilutive in nature at the end of the current year to date.

**B12. Audit report of preceding annual financial statements**

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

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

	<b>Current quarter ended 31.3.2021</b>	Comparative quarter ended 31.3.2020 (Restated)	<b>Current year to date ended 31.3.2021</b>	Preceding year to date ended 31.3.2020 (Restated)
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Profit before tax is arrived at after crediting/(charging):</b>				
(i) <u>Revenue</u>				
Interest income	<b>19,372</b>	20,036	<b>19,372</b>	20,036
Rental income	<b>9,136</b>	8,985	<b>9,136</b>	8,985
(ii) <u>Cost of sales</u>				
Funding costs	<b>(5,697)</b>	(7,645)	<b>(5,697)</b>	(7,645)
(iii) <u>Other income</u>				
Funds distribution income	<b>1,208</b>	2,259	<b>1,208</b>	2,259
Gain on disposals of plant and equipment	-	57	-	57
Gain on fair valuation of:				
- biological assets	<b>303</b>	-	<b>303</b>	-
- short term funds	-	744	-	744
Foreign currency transactions gains	-	40	-	40
Foreign currency translations gains	<b>44</b>	4	<b>44</b>	4
Interest income	<b>321</b>	737	<b>321</b>	737
Recovery of bad debts of:				
- capital financing	-	50	-	50
Rental concession received	<b>29</b>	-	<b>29</b>	-
Write back of allowance for impairment losses on:				
- trade and other receivables:				
- individual assessment	<b>3,094</b>	1,653	<b>3,094</b>	1,653
(iv) <u>Administrative expenses</u>				
Depreciation and amortisation	<b>(8,987)</b>	(8,240)	<b>(8,987)</b>	(8,240)
(v) <u>Other items of expense</u>				
Impairment loss on:				
- capital financing:				
- collective assessment	-	(10)	-	(10)
- trade and other receivables:				
- collective assessment	<b>(516)</b>	(969)	<b>(516)</b>	(969)
- individual assessment	<b>(1,602)</b>	(3,227)	<b>(1,602)</b>	(3,227)
Loss on disposals of plant and equipment	<b>(3)</b>	-	<b>(3)</b>	-
Loss on fair valuation of:				
- biological assets	-	(71)	-	(71)
- securities at fair value through profit or loss	-	(102)	-	(102)
- short term funds	<b>(3,787)</b>	(2,045)	<b>(3,787)</b>	(2,045)

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

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

	<b>Current quarter ended 31.3.2021</b>	Comparative quarter ended 31.3.2020 (Restated)	<b>Current year to date ended 31.3.2021</b>	Preceding year to date ended 31.3.2020 (Restated)
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Profit before tax is arrived at after crediting/(charging): (Cont'd)</b>				
(v) <u>Other items of expense (Cont'd)</u>				
Foreign currency transactions loss	(87)	-	(87)	-
Foreign currency translations loss	-	(145)	-	(145)
Write off of:				
- bad debts on trade and other receivables	(38)	(4)	(38)	(4)
- plant and equipment	(1)	-	(1)	-
(vi) <u>Finance costs</u>				
Interest expense	<b>(8,785)</b>	(15,192)	<b>(8,785)</b>	(15,192)

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**

Type of Derivative	Note	Contract / Notional Amount RM'000	Carrying Amount at Fair Value RM'000	Cash Flow Hedge Reserve RM'000
<b>As at 31.3.2021</b>				
Cross-currency interest rate swap ("CCIRS") contract - 1 year to 3 years	B8(a)	<b>147,024</b>	<b>(757)</b>	<b>(2,860)</b>

The cross-currency interest rate swap has been entered into in order to operationally hedge the borrowings denominated in United States Dollar ("USD") and floating monthly interest payments on borrowing that would mature on 30 January 2023. The fair value of these components has been determined based on the difference between the monthly future rates and the strike rate.

The derivative is initially recognised at fair value on the date the derivative contract is entered into. Pursuant to inception of the cash flow hedge, subsequent gain or loss on remeasurement of the hedging instrument that is determined to be an effective hedge is recognised in Statement of Comprehensive Income and the ineffective portion is recognised in profit or loss. Upon expiring of such CCIRS, the changes accounted for in Other Comprehensive Income will be reversed accordingly.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2021**

**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 March 2021.

**By Order of the Board**

**Tan Sri Ong Leong Huat**  
**Executive Chairman**  
Kuala Lumpur  
27 May 2021