OSK Holdings Berhad 199001015406 (207075-U)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	As at 30.6.2021	As at 31.12.2020 (Restated)	As at 1.1.2020 (Restated)
	RM'000	RM'000	RM'000
Assets:			
Non-current			
Property, plant and equipment	**582,391**	577,152	605,518
Investment properties	**469,923**	456,303	464,780
Investments in associates and a joint venture	**3,908,519**	3,880,828	3,681,201
Intangible assets	**1,116**	1,085	1,205
Right-of-use assets	**69,325**	76,715	78,886
Inventories	**1,383,288**	1,355,068	1,198,764
Deferred tax assets	**64,221**	67,005	94,234
Capital financing	**267,960**	247,978	182,629
Trade receivables	**10,989**	8,945	26,080
Other assets	**1,300**	1,420	882
	6,759,032	6,672,499	6,334,179
Current			
Inventories	**206,460**	256,437	353,203
Capital financing	**677,750**	574,940	594,557
Trade receivables	**185,029**	210,699	254,533
Other assets	**57,256**	88,996	79,238
Contract assets	**265,996**	163,958	129,742
Biological assets	**493**	54	251
Tax recoverable	**16,362**	15,420	12,038
Securities at fair value through profit or loss	**204**	225	264
Cash, bank balances and short term funds	**721,632**	662,702	585,844
	2,131,182	1,973,431	2,009,670
Assets of disposal group classified as held for sale	**-**	-	21,998
	2,131,182	1,973,431	2,031,668
Total Assets	**8,890,214**	8,645,930	8,365,847

QUARTERLY REPORT FOR THE SECOND QUARTER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021 (CONT'D)

	Note	**As at 30.6.2021**	As at 31.12.2020 (Restated)	As at 1.1.2020 (Restated)
		RM'000	RM'000	RM'000
Liabilities:				
Non-current				
Borrowings	A5(b),(c),(d),(e),B8(a)	**1,901,961**	1,504,241	1,393,437
Trade payables		**16,627**	16,390	17,543
Other liabilities		**44,761**	49,330	6,469
Contract liabilities		**88,083**	93,963	107,131
Lease liabilities		**6,394**	13,719	20,801
Derivative liabilities	B14	**65**	6,013	-
Deferred tax liabilities		**105,872**	109,014	115,546
		2,163,763	1,792,670	1,660,927
Current				
Borrowings	A5(b),(c),(d),(e),B8(a)	**690,631**	892,756	985,095
Trade payables		**72,378**	86,348	80,079
Other liabilities		**450,607**	445,136	514,126
Contract liabilities		**29,377**	30,778	33,516
Lease liabilities		**15,102**	14,879	8,894
Tax payable		**17,493**	16,300	11,209
		1,275,588	1,486,197	1,632,919
Liabilities of disposal group classified as held for sale		**-**	-	10,135
		1,275,588	1,486,197	1,643,054
Total Liabilities		**3,439,351**	3,278,867	3,303,981
Net Assets		**5,450,863**	5,367,063	5,061,866
Equity:				
Share capital		**2,095,311**	2,095,311	2,095,310
Treasury shares, at cost	A5(a)	**(43,226)**	(43,226)	(35,636)
		2,052,085	2,052,085	2,059,674
Reserves		**3,326,919**	3,245,548	2,928,278
Issued capital and reserves attributable to Owners of the Company		**5,379,004**	5,297,633	4,987,952
Non-controlling interests		**71,859**	69,430	73,914
Total Equity		**5,450,863**	5,367,063	5,061,866
Net Assets per share attributable to Owners of the Company (RM)		**2.61**	2.57	2.41
Number of outstanding ordinary shares in issue ('000)		**2,062,104**	2,062,104	2,071,836

(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)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	**Current quarter ended 30.6.2021**	Comparative quarter ended 30.6.2020 (Restated)	**Current year to date ended 30.6.2021**	Preceding year to date ended 30.6.2020 (Restated)
		RM'000	RM'000	**RM'000**	RM'000
Revenue		**267,211**	174,572	**592,172**	430,299
Cost of sales		**(188,930)**	(108,619)	**(419,910)**	(295,858)
Gross profit		**78,281**	65,953	**172,262**	134,441
Gain on disposal of a subsidiary		**-**	7,657	**-**	7,657
Other income		**8,036**	12,961	**13,348**	15,930
Administrative expenses		**(41,522)**	(46,387)	**(77,872)**	(94,184)
Other expenses		**(2,628)**	(6,247)	**(8,279)**	(9,031)
		42,167	33,937	**99,459**	54,813
Finance costs		**(14,305)**	(16,109)	**(23,090)**	(31,301)
		27,862	17,828	**76,369**	23,512
Share of results of associates and a joint venture, net of tax		**91,546**	54,394	**170,694**	136,180
Profit before tax	B13	**119,408**	72,222	**247,063**	159,692
Tax expense	B6	**(14,712)**	(11,675)	**(24,831)**	(21,102)
Profit after tax		**104,696**	60,547	**222,232**	138,590
Profit attributable to:					
Owners of the Company		**103,613**	59,828	**220,023**	136,988
Non-controlling interests		**1,083**	719	**2,209**	1,602
		104,696	60,547	**222,232**	138,590
Earnings per share attributable to Owners of the Company (sen):					
Basic / Diluted	B11	**5.02**	2.89	**10.67**	6.61

(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 SECOND QUARTER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Current quarter ended 30.6.2021	Comparative quarter ended 30.6.2020 (Restated)	**Current year to date ended 30.6.2021**	Preceding year to date ended 30.6.2020 (Restated)
	RM'000	RM'000	**RM'000**	RM'000
Profit after tax	**104,696**	60,547	**222,232**	138,590
Other comprehensive income/(expenses) for the period, net of tax				
(a) Items of other comprehensive income/(expenses):				
(i) Will be reclassified subsequently to profit or loss when specific conditions are met:				
- Fair value gain/(loss) on cash flow hedge	**265**	227	**862**	(4,946)
- Foreign currency translation (loss)/gain	**(214)**	(884)	**212**	(688)
(ii) Reclassified to profit or loss: *Foreign currency translation upon disposal of a subsidiary*	**-**	(2,025)	**-**	(2,025)
	51	(2,682)	**1,074**	(7,659)
(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: *- Fair values through other comprehensive income ("FVTOCI") and other reserves*	**2,349**	3,224	**2,612**	3,517
(ii) Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
- Foreign currency translation reserves	**(6,814)**	40,237	**12,138**	22,637
- FVTOCI and other reserves	**17,036**	76,900	**(92,474)**	37,110
	12,571	120,361	**(77,724)**	63,264
Total other comprehensive income/(expenses) for the period, net of tax	**12,622**	117,679	**(76,650)**	55,605
Total comprehensive income	**117,318**	178,226	**145,582**	194,195
Total comprehensive income attributable to:				
Owners of the Company	**116,392**	176,479	**143,232**	192,377
Non-controlling interests	**926**	1,747	**2,350**	1,818
	117,318	178,226	**145,582**	194,195

(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 SECOND QUARTER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021

		Attributable to Owners of the Company									
	Note	Share capital	Treasury shares [Note A5(a)]	Revalua -tion reserve	Foreign currency translation reserves	Hedging reserve	Other reserves	Retained profits	Total issued share capital and reserves	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1.1.2021											
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		**-**	**-**	**-**	**-**	**-**	**-**	**220,023**	**220,023**	**2,209**	**222,232**
Fair value gain on cash flow hedge	B14	**-**	**-**	**-**	**-**	**862**	**-**	**-**	**862**	**-**	**862**
Foreign currency translation gain		**-**	**-**	**-**	**211**	**-**	**-**	**-**	**211**	**1**	**212**
Share of other comprehensive income/(expenses) and reserves of associates accounted for using equity method:											
- Foreign currency translation reserves		**-**	**-**	**-**	**11,998**	**-**	**-**	**-**	**11,998**	**140**	**12,138**
- FVTOCI and other reserves		**-**	**-**	**-**	**-**	**-**	**(89,862)**	**-**	**(89,862)**	**-**	**(89,862)**
Other comprehensive income/(expenses)		**-**	**-**	**-**	**12,209**	**862**	**(89,862)**	**-**	**(76,791)**	**141**	**(76,650)**
Total comprehensive income/(expenses)		**-**	**-**	**-**	**12,209**	**862**	**(89,862)**	**220,023**	**143,232**	**2,350**	**145,582**
Dividends paid to:											
- Owners of the Company	A6	**-**	**-**	**-**	**-**	**-**	**-**	**(61,863)**	**(61,863)**	**-**	**(61,863)**
- Non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,908)**	**(1,908)**
Total distributions to Owners		**-**	**-**	**-**	**-**	**-**	**-**	**(61,863)**	**(61,863)**	**(1,908)**	**(63,771)**
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(b),(d)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,990**	**1,990**
Total changes in ownership interest in subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**2**	**2**	**1,987**	**1,989**
Total transactions with Owners in their capacity as Owners		**-**	**-**	**-**	**-**	**-**	**-**	**(61,861)**	**(61,861)**	**79**	**(61,782)**
As at 30.6.2021		**2,095,311**	**(43,226)**	**63,451**	**31,913**	**(2,595)**	**74,993**	**3,159,157**	**5,379,004**	**71,859**	**5,450,863**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (CONT'D)

	Note	Attributable to Owners of the Company									
		Share capital	Treasury shares	Revalua -tion reserve	Foreign currency translation reserves	Hedging reserve	Other reserves	Retained profits	Total issued share capital and reserves	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1.1.2020											
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		-	-	-	-	-	-	136,988	136,988	1,602	138,590
Fair value loss on cash flow hedge		-	-	-	-	(4,946)	-	-	(4,946)	-	(4,946)
Foreign currency translation loss		-	-	-	(606)	-	-	-	(606)	(82)	(688)
Foreign currency translation reclassified to profit or loss upon disposal of a subsidiary		-	-	-	(2,025)	-	-	-	(2,025)	-	(2,025)
Share of other comprehensive income and reserves of associates accounted for using equity method:											
- Foreign currency translation reserves		-	-	-	22,339	-	-	-	22,339	298	22,637
- FVTOCI and other reserves		-	-	-	-	-	40,627	-	40,627	-	40,627
Other comprehensive income/(expenses)		-	-	-	19,708	(4,946)	40,627	-	55,389	216	55,605
Total comprehensive income/(expenses)		-	-	-	19,708	(4,946)	40,627	136,988	192,377	1,818	194,195
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(23)	(23)
Total distributions to Owners		-	-	-	-	-	-	-	-	(23)	(23)
Acquisitions of additional interests in a subsidiary from non-controlling interests:											
- Accretion of equity interests		-	-	-	-	-	-	-	-	(4,411)	(4,411)
- Gain on acquisitions		-	-	-	-	-	-	2,056	2,056	-	2,056
Effects of acquisitions of warrants in a subsidiary company		-	-	-	-	-	-	(6,611)	(6,611)	-	(6,611)
Exercise of warrants of a subsidiary:											
- Shares issued by a subsidiary		-	-	-	-	-	-	-	-	30	30
- Effects of dilution of interests in a subsidiary		-	-	-	-	-	-	(49)	(49)	49	-
Total changes in ownership interest in a subsidiary		-	-	-	-	-	-	(4,604)	(4,604)	(4,332)	(8,936)
Share buybacks by the Company		-	(1,038)	-	-	-	-	-	(1,038)	-	(1,038)
Total transactions with Owners in their capacity as Owners		-	(1,038)	-	-	-	-	(4,604)	(5,642)	(4,355)	(9,997)
As at 30.6.2020		2,095,310	(36,674)	63,451	30,929	(4,946)	152,417	2,874,200	5,174,687	71,377	5,246,064

(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 SECOND QUARTER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	Current year to date ended 30.6.2021	Preceding year to date ended 30.6.2020 (Restated)
		RM'000	RM'000
Cash Flows From Operating Activities			
Profit before tax		**247,063**	159,692
Adjustments for:			
Non-cash and non-operating items		**11,014**	15,859
Share of results of associates and a joint venture		**(170,694)**	(136,180)
Operating profit before changes in working capital		**87,383**	39,371
Decrease/(Increase) in operating assets:			
Inventories		**41,770**	54,971
Capital financing		**(123,208)**	(87,035)
Trade receivables		**24,978**	86,216
Other assets		**(5,799)**	14,675
Contract assets		**(102,039)**	31,979
(Decrease)/Increase in operating liabilities:			
Trade payables		**(13,501)**	(22,285)
Other liabilities		**1,475**	(48,537)
Contract liabilities		**(7,282)**	4,692
Changes in working capital		**(183,606)**	34,676
Cash (used in)/from operations		**(96,223)**	74,047
Income tax paid		**(25,880)**	(16,674)
Income tax refunded		**940**	3,886
Interest paid		**(19,830)**	(21,021)
Interest received		**41,477**	38,148
Net cash (used in)/from operating activities		**(99,516)**	78,386
Cash Flows From Investing Activities			
Investment, divestment and income of assets:			
Acquisitions of additional shares in a subsidiary from non-controlling interests	A8(a)	**(1)**	(2,355)
- warrants in a subsidiary		**-**	(6,611)
Expenditure incurred on investment properties		**(13,619)**	(4,299)
Funds distribution income received		**3,035**	4,582
Interest received		**641**	2,021
Net cash outflow from disposal of a subsidiary		**-**	(4,143)
Proceeds from disposals of plant and equipment		**97**	86
Purchase of:			
- land held for property development		**(15,000)**	(69,300)
- plant and equipment		**(19,018)**	(7,914)
- software licenses		**(145)**	(23)
Net investment, divestment and income of assets/ Sub-total carried forward		**(44,010)**	(87,956)

QUARTERLY REPORT FOR THE SECOND QUARTER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (CONT'D)

	Note	Current year to date ended 30.6.2021	Preceding year to date ended 30.6.2020 (Restated)
		RM'000	RM'000
Cash Flows From Investing Activities (Cont'd)			
Sub-total brought forward		**(44,010)**	(87,956)
Dividends and shares:			
Cash received from an associate for capital repayment		**65,279**	-
Dividends received		**40,617**	75,142
Net dealings with associates		**105,896**	75,142
Net cash from/(used in) investing activities		**61,886**	(12,814)
Cash Flows From Financing Activities			
Funding in business:			
Expenses incurred on borrowings		**(2,658)**	-
Drawdowns/(Repayments):			
Proceeds from/Drawdown of:			
- issuance of medium term notes and Sukuk	A5(c)(ii),(e)(i)(ii)	**798,000**	100,000
- loans		**11,115**	172,995
Redemptions/Repayments of:			
- medium term notes	A5(b),(c)(i),(d)(i)	**(341,825)**	(58,400)
- loans		**(33,770)**	(85,500)
- revolving credits - net		**(243,627)**	(130,121)
Net drawdowns/(repayments)		**187,235**	(1,026)
Interest paid		**(19,026)**	(29,979)
Payment of lease liabilities		**(8,308)**	(7,416)
Dividends, share proceeds and share buybacks:			
Dividend paid to:			
- Owners of the Company	A6	**(61,863)**	-
- non-controlling interests		**(1,908)**	(23)
Proceeds from:			
- exercise of warrants of a subsidiary		**-**	30
- issuance of shares to non-controlling interests		**530**	-
Share buybacks		**-**	(1,038)
Net dealing with Owners		**(63,241)**	(1,031)
Net cash from/(used in) financing activities		**96,660**	(39,452)
Net increase in cash and cash equivalents		**59,030**	26,120
Effects of exchange rate changes		**(100)**	(931)
Cash and cash equivalents at beginning of the period		**662,702**	590,044
Cash and cash equivalents at end of the period, comprised cash bank balances and short term funds		**721,632**	615,233

(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 SECOND QUARTER ENDED 30 JUNE 2021

Explanatory notes to Quarterly Report for the current year to date ended 30 June 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 is 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 is addressed. Nevertheless, the interest rate benchmark reform is not expected to have material financial impact to the Group.

A1. Basis of preparation (Cont'd)

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

Statement of Financial Position as at 1.1.2020	**As previously reported**	**Effect of adoption of IFRIC IAS 23**	**As restated**
	RM'000	**RM'000**	**RM'000**
Assets:			
Non-current - Deferred tax assets	93,891	343	94,234
Current - Inventories	355,129	(1,926)	353,203
Total Assets	**8,367,430**	**(1,583)**	**8,365,847**
Equity:			
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
Total Equity	**5,063,449**	**(1,583)**	**5,061,866**
Net Assets per share attributable to Owners of the Company (RM)	**2.41**	- @	**2.41**

@ negligible

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)

	As previously reported	Effect of adoption of IFRIC IAS 23	As restated
Statement of Financial Position as at 31.12.2020	**RM'000**	**RM'000**	**RM'000**
Assets:			
Non-current - Deferred tax assets	68,134	(1,129)	67,005
Current - Inventories	252,050	4,387	256,437
Total Assets	**8,642,672**	**3,258**	**8,645,930**
Equity:			
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
Total Equity	**5,363,805**	**3,258**	**5,367,063**
Net Assets per share attributable to Owners of the Company (RM)	**2.57**	- @	**2.57**
Statement of Profit or Loss for the financial year ended 30.6.2020			
Cost of sales	(298,250)	2,392	(295,858)
Finance costs	(29,289)	(2,012)	(31,301)
Profit before tax	**159,312**	**380**	**159,692**
Tax expense	(21,048)	(54)	(21,102)
Profit after tax	**138,264**	**326**	**138,590**
Profit attributable to:			
Owners of the Company	**136,689**	**299**	**136,988**
Non-controlling interests	**1,575**	**27**	**1,602**
Earnings per share attributable to Owners of the Company (sen):			
Basic / Diluted	**6.60**	**0.01**	**6.61**

@ negligible

A1. Basis of preparation (Cont'd)

(b) 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 April 2021:

Amendment to MFRS 16 'Leases' - COVID-19 - Related Rent Concessions beyond 30 June 2021

This amendment extends the applicable period of the practical expedient introduced in Year 2020 by one year to cover rent concessions in relation to COVID-19 that reduce lease payments up to 30 June 2022.

As a recap, in Year 2020, the Amendment to MFRS 16 'Leases' - COVID-19 - Related Rent Concessions added a practical expedient to the standard by providing relief for lessee in assessing whether the rent concession occurred as a direct consequence of COVID-19 is considered to be lease modification. A lessee that applied the practical expedient shall treat these rent concessions as if they are not lease modifications. The amendment in Year 2020 covered the rental concession up to 30 June 2021.

The Group continues to adopt the Amendment to MFRS 16 with election to apply the practical expedient to all rent concession received that meet the conditions. Accordingly, the Group recognised rent concession received in profit or loss as disclosed in Note B13(iii).

(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:

(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 replace 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 of the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

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)

(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 bringing 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).

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

The annual improvements cover minor amendments:

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 is not expected to have material financial impact to the Group.

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

(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 is to be classified as a current liability when an entity does not have 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.

(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. 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.

(4) Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

The amendments clarify that the initial recognition exemption in MFRS 112 does not apply to the deferred tax related to assets and liabilities arising from a single transaction such as leases and decommissioning obligations which companies recognise both an asset and a liability. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

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

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)

(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 is not expected to have material financial impact to the Group.

A2. Seasonality or cyclicality 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 the various stages of Movement Control Orders ("MCO") in Malaysia and snap lockdowns in Australia that were implemented since March 2020 to control the spread of COVID-19.

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

Save for the impact of the MCO and snap lockdowns implemented 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.

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 issuance, cancellations, resale and buybacks for the current year to date.

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

(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.

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 May 2021, the Company fully redeemed all outstanding MTN1.

On 14 June 2021, the Company cancelled the Medium Term Note Programme and all shares pledged have been discharged and received by the Company and the relevant assignment and charge were released.

MTN1 was 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 contained 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.

(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 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 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.

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)

(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 RM75.0 million of Tranche 1 and RM70.0 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 RM195.5 million and RM170.6 million respectively. As at 30 June 2021, the outstanding amount of Tranche 1 and Tranche 2 of MTN2 stood at RM54.5 million and RM29.4 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).

(ii) Tranche 3 of MTN2

On 8 April 2021, OSKICM issued Tranche 3 of MTN2 of RM100.0 million in 5 series with maturities commencing from year 2024 to 2028 and redeemable every 12 months commencing 36 months after the first issuance date.

Proceeds from Tranche 3 of MTN2 were utilised to part finance the acquisition of project land, which includes reimbursement and other related expenses.

There was no redemption since the first issuance date. As at 30 June 2021, the outstanding amount of Tranche 3 of MTN2 stood at RM100.0 million.

The Tranche 3 of MTN2 is secured by:

(1) all its rights, titles, interests and benefits in and under the Debt Service Reserve Account ("DSRA") for Tranche 3 maintained by Aspect Potential Sdn. Bhd. ("APSB"), a subsidiary of OSK Property Holdings Berhad ("OSKPH"), which is in turn a subsidiary of the Company and all monies from time to time standing to the credit thereto; and
(2) a piece of land owned by APSB and all its present and future assets of APSB.

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)

(iii) 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 was no redemption since the first issuance date. As at 30 June 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 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.

(iv) 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 was no redemption since the first issuance date. As at 30 June 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.

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) <u>Tranche 1 of MTN3</u>

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.

On 8 May 2020 and 10 May 2021, OSKICM redeemed RM5.0 million and RM5.0 million respectively. As at 30 June 2021, the outstanding amount of Tranche 1 of MTN3 stood at RM154.2 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.

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 was no redemption for Tranche 2, Tranche 3 and Tranche 4 of MTN3 since the first issuance date. As at 30 June 2021, the outstanding amount of Tranche 2, Tranche 3 and Tranche 4 of MTN3 stood at RM100.0 million, RM100.0 million and RM100.0 million respectively.

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.

Malaysia Rating Corporation Berhad ("MARC") had on 16 November 2020 assigned a final rating of AA_{IS} /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.

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)

(i) 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 issuances 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 and repayment of bank borrowings of the Group.

There was no redemption since the issuance date. As at 30 June 2021, the outstanding amount of Series 1 of Sukuk-R and Series 1 of MCMTN-R stood at RM100.0 million and RM20.0 million respectively.

(ii) Series 2 and 3 of Sukuk-R

On 30 April 2021, OSKRB 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 and repayment of bank borrowings of the Group.

There was no redemption since the issuance date. As at 30 June 2021, the outstanding amount of Series 2 and Seried 3 of Sukuk-R stood at RM373.0 million and RM205.0 million respectively.

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

		For current year to date		As at 30 June 2021				
		Issuance RM'000	Redemption RM'000	Outstanding amounts RM'000	DSRA balances RM'000	FSRA balances RM'000	PA balances RM'000	TRA balances RM'000
(1)	MTN1	-	191,825	-	4,245	-	-	-
(2)	Tranche 1 of MTN2	-	75,000	54,500	-	-	14	-
(3)	Tranche 2 of MTN2	-	70,000	29,405	-	-	33	-
(4)	Tranche 3 of MTN2	100,000		100,000	272	-	-	-
(5)	Tranche 2 of Sukuk 1	-	-	92,970	-	1,226	-	-
(6)	Tranche 3 of Sukuk 1	-	-	170,000	-	744	19	-
(7)	Tranche 1 of MTN3	-	5,000	154,200	716	-	-	-
(8)	Tranche 2 of MTN3	-	-	100,000	379	-	-	-
(9)	Tranche 3 of MTN3	-	-	100,000	378	-	-	-
(10)	Tranche 4 of MTN3	-	-	200,000	521	-	-	-
(11)	Series 1 of Sukuk-R	100,000	-	100,000	-	-	-	1
(12)	Series 1 of MCMTN-R	20,000	-	20,000	-	-	-	-
(13)	Series 2 of Sukuk-R	373,000	-	373,000	-	-	-	-
(14)	Series 3 of Sukuk-R	205,000	-	205,000	-	-	-	-
		798,000	341,825	1,699,075	6,511	1,970	66	1
	Less: Unamortised issuance expenses			(516)				
				1,698,559				

The interest rates of MTNs and profit rates of Sukuk ranged from 3.01% to 4.52% per annum.

A6. Dividends paid during the current year to date

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. Dividend declaration for the current year to date is disclosed in Note B10.

A7. Segmental information

The Group's businesses are organised into five (5) core business segments, based on the nature of the products and services, 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 described 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 with 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:

Current year to date ended 30.6.2021	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
Revenue						
Total revenue	**397,284**	**69,286**	**101,091**	**14,625**	**275,916**	**858,202**
Inter-segment revenue	**(2,408)**	**(67,960)**	**-**	**(1)**	**(21,591)**	**(91,960)**
- subsidiaries	**-**	**-**	**-**	**-**	**(142,998)**	**(142,998)**
- an associate	**-**	**-**	**-**	**-**	**(31,072)**	**(31,072)**
Revenue from external parties	**394,876**	**1,326**	**101,091**	**14,624**	**80,255**	**592,172**
Results						
Segment profit/(loss)	**62,475**	**1,216**	**3,003**	**(10,475)**	**20,057**	**76,276**
Share of results of associates and a joint venture	**39,076**	**-**	**-**	**-**	**131,618**	**170,694**
	101,551	**1,216**	**3,003**	**(10,475)**	**151,675**	**246,970**
Realisation of profit upon completion of sale/(Elimination of unrealised profit)	**-**	**438**	**-**	**-**	**(345)**	**93**
Profit/(Loss) before tax	**101,551**	**1,654**	**3,003**	**(10,475)**	**151,330**	**247,063**
Tax (expense)/income	**(15,653)**	**(181)**	**(1,053)**	**287**	**(8,231)**	**(24,831)**
Profit/(Loss) after tax	**85,898**	**1,473**	**1,950**	**(10,188)**	**143,099**	**222,232**
Preceding year to date ended 30.6.2020 (Restated)						
Revenue						
Total revenue	243,569	80,489	107,044	26,085	314,838	772,025
Inter-segment revenue	(2,407)	(80,489)	(83)	(1,734)	(33,917)	(118,630)
- subsidiaries	-	-	-	-	(147,954)	(147,954)
- an associate	-	-	-	-	(75,142)	(75,142)
Revenue from external parties	241,162	-	106,961	24,351	57,825	430,299
Results						
Segment profit/(loss)	16,180	(5,828)	2,652	(14,883)	18,194	16,315
Gain on disposal of a subsidiary	-	-	7,657	-	-	7,657
Share of results of associates and a joint venture	42,552	-	-	-	93,628	136,180
	58,732	(5,828)	10,309	(14,883)	111,822	160,152
Realisation of profit upon completion of sale/(Elimination of unrealised profit)	-	927	-	-	(1,387)	(460)
Profit/(Loss) before tax	58,732	(4,901)	10,309	(14,883)	110,435	159,692
Tax (expense)/income	(11,057)	266	(1,802)	72	(8,581)	(21,102)
Profit/(Loss) after tax	47,675	(4,635)	8,507	(14,811)	101,854	138,590
Comparison of profit/(loss) before tax:						
Increase/(Decrease) in profit/(loss) before tax	42,819	6,555	(7,306)	4,408	40,895	87,371
% of increase/(decrease)	73%	>100%	(71%)	30%	37%	55%

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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
As at 30.6.2021						
Assets						
Tangible assets	**2,865,821**	**33,621**	**200,338**	**347,398**	**1,452,818**	**4,899,996**
Intangible assets	**181**	**-**	**-**	**-**	**935**	**1,116**
	2,866,002	**33,621**	**200,338**	**347,398**	**1,453,753**	**4,901,112**
Investments in associates and a joint venture	**614,226**	**-**	**-**	**-**	**3,294,293**	**3,908,519**
Segment assets	**3,480,228**	**33,621**	**200,338**	**347,398**	**4,748,046**	**8,809,631**
Deferred tax assets and tax recoverable	**49,646**	**985**	**72**	**24,657**	**5,223**	**80,583**
Total assets	**3,529,874**	**34,606**	**200,410**	**372,055**	**4,753,269**	**8,890,214**
Liabilities						
Segment liabilities	**1,442,596**	**56,934**	**39,348**	**221,194**	**1,555,914**	**3,315,986**
Deferred tax liabilities and tax payable	**93,398**	**27**	**9,526**	**7,065**	**13,349**	**123,365**
Total liabilities	**1,535,994**	**56,961**	**48,874**	**228,259**	**1,569,263**	**3,439,351**
As at 31.12.2020 (Restated)						
Assets						
Tangible assets	2,880,541	39,466	203,048	345,996	1,212,541	4,681,592
Intangible assets	236	-	-	-	849	1,085
	2,880,777	39,466	203,048	345,996	1,213,390	4,682,677
Investments in associates and a joint venture	635,400	-	-	-	3,245,428	3,880,828
Segment assets	3,516,177	39,466	203,048	345,996	4,458,818	8,563,505
Deferred tax assets and tax recoverable	51,557	1,962	38	24,421	4,447	82,425
Total assets	3,567,734	41,428	203,086	370,417	4,463,265	8,645,930
Liabilities						
Segment liabilities	1,453,709	62,116	40,134	259,124	1,338,470	3,153,553
Deferred tax liabilities and tax payable	96,891	26	9,441	7,173	11,783	125,314
Total liabilities	1,550,600	62,142	49,575	266,297	1,350,253	3,278,867
(Decrease)/Increase in segment assets	(35,949)	(5,845)	(2,710)	1,402	289,228	246,126
% of (decrease)/increase	(1%)	(15%)	(1%)	<1%	6%	3%
(Decrease)/Increase in segment liabilities	(11,113)	(5,182)	(786)	(37,930)	217,444	162,433
% of (decrease)/increase	(<1%)	(8%)	(2%)	(15%)	16%	5%

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:

	Malaysia	Australia	Vietnam	Consolidated
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current year to date ended 30.6.2021				
Revenue	**591,788**	**384**	**-**	**592,172**
Profit before tax	**208,029**	**39,034** #	**-**	**247,063**
Preceding year to date ended 30.6.2020 (Restated)				
Revenue	411,232	-	19,067 @	430,299
Profit before tax	120,849 *	38,843	- @	159,692
As at 30.6.2021				
Non-current assets ^	**2,502,542**	**3,501**	**-**	**2,506,043**
As at 31.12.2020				
Non-current assets ^	2,462,902	3,421	-	2,466,323

* Included a gain on disposal of a subsidiary of RM7.7 million.

Included share of profit of an associate, Yarra Park City Pty. Ltd., of RM39.2 million.

@ Operating results of OVI covered period from 1 January 2020 to 30 June 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.

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:

	RM'000
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	(1)

(b) Incorporation and shareholdings arrangement of Lyte Malaysia Sdn. Bhd. (f.k.a. 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 Venture Sdn. Bhd. ("LVSB") for the subscription of the shares in OSKL.

LVSB, 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 OSKL.

On 18 March 2021, OSKFT and LVSB subscribed for 2,039,999 and 1,960,000 new ordinary shares for RM2,039,999 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%.

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 respectively in OSK Learning Academy Sdn. Bhd. ("OSKLA"). 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, OSKPH entered into a shareholders agreement with Pakatan Laksana (M) Sdn. Bhd. ("PLM"), a company owned by an external party not related to the Group, for the subscription of the shares in 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, OSKPH and PLM subscribed for 69,999 and 30,000 new ordinary shares in AVSB, respectively. The issued and paid up ordinary share capital of AVSB increased from RM1 to RM100,000. 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

Increase of equity interests in RHB Bank Berhad ("RHB") via Dividend Reinvestment Plan ("DRP")

On 8 July 2021, RHB issued and allotted 58,314,499 new RHB shares at the issue price of RM4.61 per share which was applied to the final dividend in respect of financial year ended 31 December 2020. The dividend entitlement based on shareholdings in RHB was RM31,072,121 and the Company had elected for the dividend reinvestment plan. An amount of 6,740,155 new RHB shares were issued to the Company and the balance cash of RM6.58 were received. Accordingly, the Company's equity interests in RHB increased to 10.15% from 10.13%.

A10. Commitments

	As at 30.6.2021 RM'000	As at 31.12.2020 RM'000
(a) Significant unrecognised contractual commitments		
Contracted but not provided for:		
- Acquisition of land held for property development	**122,143**	135,643
- Acquisition of office equipment and software licences	**2,833**	776
- Acquisition of property, plant and equipment	**509**	1,440
- Factory expansion	**-**	124
- Investment property under construction	**5,517**	14,500
- Professional fee	**-**	887
- Renovation costs	**26,132**	2,570
	157,134	155,940
(b) Operating lease commitments - the Group as lessor		
Not later than one year	**15,907**	20,488
Later than one year and not later than five years	**15,545**	17,572
Later than five years	**30,176**	31,223
	61,628	69,283

A11. Changes in contingent liabilities or contingent assets

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

A12. Significant related party transactions

	Entities	Nature of transactions	Income/(Expenses) Current year to date ended 30.6.2021 RM'000
(a)	**Associates:**		
	RHB Asset Management Sdn. Bhd.	- Fund distribution income	3,035
	RHB Bank Berhad	- Office rental income	422
		- Interest expense	(5,074)
	RHB Islamic Bank Berhad	- Interest expense	(4,394)
(b)	**Other related parties:**		
	DC Services Sdn. Bhd.	- Insurance premium expense	(310)
	Dindings Consolidated Sdn. Bhd.	- Office rental income	324
	Raslan Loong, Shen & Eow	- Legal fees expense	(423)
	Sincere Source Sdn. Bhd.	- Insurance premium expense	(1,108)

A13. Fair value measurement

Fair value hierarchy pursuant to MFRS 13

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 where 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.

A13. Fair value measurement (Cont'd)

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

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 30.6.2021				
Non-financial assets				
Biological assets	**-**	**-**	**493**	**493**
Investment properties	**-**	**14,921**	**409,399**	**424,320**
Financial assets				
Securities at fair value through profit or loss	**204**	**-**	**-**	**204**
Short term funds	**558,287**	**-**	**-**	**558,287**
	558,491	**14,921**	**409,892**	**983,304**
As at 31.12.2020				
Non-financial assets				
Biological assets	-	-	54	54
Investment properties	-	14,921	409,651	424,572
Financial assets				
Securities at fair value through profit or loss	225	-	-	225
Short term funds	470,110	-	-	470,110
	470,335	14,921	409,705	894,961

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 approximated their fair values. These financial assets and liabilities include trade and other receivables or payables, capital financing, cash and bank balances, lease liabilities, medium term notes and Sukuk and borrowings.

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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 30 June 2021

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

	Current quarter ended 30.6.2021 2Q21	Comparative quarter ended 30.6.2020 2Q20 (Restated)	change	**Current year to date ended 30.6.2021 6M21**	Preceding year to date ended 30.6.2020 6M20 (Restated)	change
	RM'000	RM'000	%	**RM'000**	RM'000	%
Revenue						
1. Property	**173,493**	97,388	78%	**394,876**	241,162	64%
Construction revenue	*26,783*	*29,564*	*(9%)*	*69,286*	*80,489*	*(14%)*
Inter-segment revenue	*(26,782)*	*(29,564)*	*9%*	*(67,960)*	*(80,489)*	*16%*
2. Construction	**1**	-	>100%	**1,326**	-	>100%
3. Industries	**47,654**	41,111	16%	**101,091**	106,961	(5%)
4. Hospitality	**6,501**	6,797	(4%)	**14,624**	24,351	(40%)
5. Financial Services & Investment Holding	**39,562**	29,276	35%	**80,255**	57,825	39%
Revenue	**267,211**	174,572	53%	**592,172**	430,299	38%
Pre-tax profit/(loss)						
1. Property	**42,528**	26,934	58%	**101,551**	58,732	73%
2. Construction	**1,232**	(3,773)	>100%	**1,654**	(4,901)	>100%
Industries performance	*1,130*	*(1,599)*	*>100%*	*3,003*	*2,652*	*13%*
Gain on disposal of a subsidiary	*-*	*7,657*		*-*	*7,657*	
3. Industries	**1,130**	6,058	(81%)	**3,003**	10,309	(71%)
4. Hospitality	**(5,788)**	(8,419)	31%	**(10,475)**	(14,883)	30%
5. Financial Services & Investment Holding	**80,306**	51,422	56%	**151,330**	110,435	37%
Pre-tax profit	**119,408**	72,222	65%	**247,063**	159,692	55%
Comprised:						
Pre-tax profit from the business	**27,862**	17,828	56%	**76,369**	23,512	>100%
Share of results of associates and a joint venture	**91,546**	54,394	68%	**170,694**	136,180	25%
Pre-tax profit	**119,408**	72,222	65%	**247,063**	159,692	55%

B1. Performance analysis of the Group for the current quarter and current year to date ended 30 June 2021 (Cont'd)

(a) *Current Quarter ("2Q21") compared with Comparative Quarter of Preceding Year ("2Q20")*

The Group registered revenue of RM267.2 million and pre-tax profit of RM119.4 million in 2Q21 compared with revenue of RM174.6 million and pre-tax profit of RM72.2 million in 2Q20, representing an increase of RM92.6 million or 53% in revenue and an improvement of RM47.2 million or 65% in pre-tax profit. The results of 2Q20 were impacted by the total lockdown during the first MCO implemented nationwide to control the spread of COVID-19 which covered a significant duration of the reporting period. In 2Q21, despite the continuous movement control, most economic activities were allowed to operate although at lower operating capacities. As a result, all segments within the Group recorded improved core operating results in 2Q21 compared with 2Q20.

The Property Segment recorded revenue of RM173.5 million and pre-tax profit of RM42.5 million in 2Q21 compared with revenue of RM97.4 million and pre-tax profit of RM26.9 million in 2Q20, representing an increase of RM76.1 million or 78% in revenue and an improvement of RM15.6 million or 58% in pre-tax profit. The Property Division revenue and pre-tax profit were mainly contributed by the on-going projects, i.e. Ryan & Miho, YouCity III, Iringan Bayu and Bandar Puteri Jaya and cost savings on completed projects. The joint venture projects, Melbourne Square ("MSQ") and Agile-Mont Kiara, contributed a total share of profits of RM23.4 million in 2Q21 against RM16.7 million in 2Q20. Profit from MSQ project was due to sale of the retail podium as well as from the progressive settlement of the residential properties. The Property Investment Division posted pre-tax profit in 2Q21 compared to pre-tax loss in 2Q20 as lower rental concession were granted to tenants and less impairment losses made on trade receivables.

The Construction Segment registered revenue of RM26.8 million and pre-tax profit of RM1.2 million in 2Q21 compared with revenue of RM29.6 million and pre-tax loss of RM3.8 million in 2Q20, representing a decrease of RM2.8 million or 9% in revenue and an improvement of RM5.0 million in pre-tax performance. The Division recorded lower revenue due to fewer on-going construction projects undertaken. However, it recorded pre-tax profit due to additional profit realised from finalisation of completed project accounts.

The Industries Segment registered revenue of RM47.7 million and pre-tax profit of RM1.1 million in 2Q21 compared with revenue of RM41.1 million and core pre-tax loss of RM1.6 million (excluding gain on disposal of a subsidiary of RM7.7 million) in 2Q20, representing an increase of RM6.6 million or 16% in revenue and an improvement of RM2.7 million in pre-tax performance. The better performance was mainly due to higher production and delivery as the factories were allowed to operate in 2Q21 compared with 2Q20 where it was a complete closure for several weeks. The results were further improved by the successful collections of debts which were previously impaired.

The Hospitality Segment reported revenue of RM6.5 million and pre-tax loss of RM5.8 million in 2Q21 compared with revenue of RM6.8 million and pre-tax loss of RM8.4 million in 2Q20, representing a decrease of RM0.3 million or 4% in revenue and an improvement of RM2.6 million in pre-tax performance. The Hospitality Segment continued to be affected by the movement control that restricts inter-district and inter-state travels, thus resulted in minimal room nights sold during the period under review. The lower pre-tax loss recorded in 2Q21 compared with 2Q20 was due to cost savings from the cost rationalisation implemented since June 2020.

The Capital Financing Division registered revenue of RM24.8 million and pre-tax profit of RM14.0 million in 2Q21 compared with revenue of RM21.9 million and pre-tax profit of RM12.5 million in 2Q20, representing an increase of RM2.9 million or 13% in revenue and an improvement of RM1.5 million or 12% in pre-tax profit. The improved performance was mainly due to higher net interest income generated from the larger loan portfolio in 2Q21.

The Investment Holding Division reported pre-tax profit of RM66.2 million in 2Q21 compared with RM38.9 million in 2Q20, representing an increase of RM27.3 million or 70% in pre-tax profit. The improved performance was mainly due to higher profit being recorded by RHB which contributed a profit of RM68.4 million in 2Q21 compared with RM38.2 million in 2Q20 to the Group.

B1. Performance analysis of the Group for the current quarter and current year to date ended 30 June 2021 (Cont'd)

(b) Current Year To Date ("6M21") compared with Preceding Year To Date ("6M20")

The Group registered revenue of RM592.2 million and pre-tax profit of RM247.1 million in 6M21 compared with revenue of RM430.3 million and pre-tax profit of RM159.7 million in 6M20, representing an increase of RM161.9 million or 38% in revenue and an improvement of RM87.4 million or 55% in pre-tax profit. Excluding the one-off gain on disposal of a foreign subsidiary of RM7.7 million recorded in 6M20, the Group reported core pre-tax profit RM152.0 million in 6M20, representing an increase of RM95.1 million or 63% in 6M21. All the business segments of the Group have shown improvement in core pre-tax profit for 6M21 compared with the corresponding period a year ago as the movement control order implemented in 2021 allowed economic activities to continue albeit with strict Standard Operating Procedures ("SOPs") and lower capacity unlike the complete lockdown in 2020.

The Property Segment registered revenue of RM394.9 million and pre-tax profit of RM101.6 million in 6M21 compared with revenue of RM241.2 million and pre-tax profit of RM58.7 million in 6M20, representing an increase of RM153.7 million or 64% in revenue and an improvement of RM42.9 million or 73% in pre-tax profit. The revenue and pre-tax profit for 6M21 was mainly contributed by its on-going projects i.e. Ryan & Miho, YouCity III, Bandar Puteri Jaya and Iringan Bayu and additional profit from completed projects. The improved performance was mainly due to higher number of properties sold and progress on construction works carried out for the on-going projects in 6M21 as compared to 6M20 where the sales operations and construction progress of the Division were halted by the implementation of MCO for a few weeks which began in mid-March 2020. The share of profits from our joint venture projects, MSQ and Agile-Mont Kiara was RM39.5 million in 6M21 versus RM43.2 million recorded in 6M20. The Agile-Mont Kiara project was completed in 3Q20, thus resulting in minimal profit contribution thereafter. On the other hand, the Phase 1 of MSQ project in Melbourne which was completed in January 2020 saw progressive profit recognition upon successful settlements by its purchasers. The profit for the 6M21 included the recognition of profit from the sale of retail podium. The Property Investment Division posted a pre-tax profit in 6M21 compared to a pre-tax loss in 6M20 due to lower rental concessions and less impairment losses on trade receivables recorded in 6M21.

The Construction Segment generated revenue of RM69.3 million and pre-tax profit of RM1.7 million in 6M21 compared with revenue of RM80.5 million and pre-tax loss of RM4.9 million in 6M20, representing a decrease of RM11.2 million or 14% in revenue and an improvement of RM6.6 million in pre-tax performance. The lower revenue was in line with fewer projects undertaken. The slight pre-tax profit recorded was from reversal of cost accrued for completed projects no longer required.

The Industries Segment registered revenue of RM101.1 million and pre-tax profit of RM3.0 million in 6M21 compared with revenue of RM107.0 million and core pre-tax profit of RM2.6 million (excluding gain on disposal of a subsidiary of RM7.7 million) in 6M20, representing a decrease of RM5.9 million or 6% in revenue and an increase of RM0.4 million or 15% in core pre-tax profit. The segment's profit margin was impacted by the increase in raw material prices especially copper and insulation materials for the power cables. This was however cushioned by the net write back of allowance for doubtful debts of RM3.2 million in 6M21 compared with net allowance for doubtful debts of RM2.7 million in 6M20.

The Hospitality Segment registered revenue of RM14.6 million and pre-tax loss of RM10.5 million in 6M21 compared with revenue of RM24.4 million and pre-tax loss of RM14.9 million in 6M20, representing a decrease of RM9.8 million or 40% in revenue and an improved of RM4.4 million in pre-tax performance. The performance of Hotel Division continued to be affected by the movement restrictions imposed under various stages of MCO in 6M21 where inter-district and inter-state travels for leisure were banned. Although lower revenue was recorded in 6M21, this Segment registered lower pre-tax loss mainly due to the cost optimisation exercises implemented since June 2020.

QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2021

B1. Performance analysis of the Group for the current quarter and current year to date ended 30 June 2021 (Cont'd)

(b) Current Year To Date ("6M21") compared with Preceding Year To Date ("6M20") (Cont'd)

The Capital Financing Division posted revenue of RM47.0 million and pre-tax profit of RM28.1 million in 6M21 compared with revenue of RM45.8 million and pre-tax profit of RM26.4 million in 6M20, representing an increase of RM1.2 million or 3% in revenue and an improvement of RM1.7 million or 7% in pre-tax profit. The improvement of this Segment was on the back of the increase in its lending portfolio to RM945.7 million as at 30 June 2021 from RM864.3 million as at 30 June 2020.

The Investment Holding Division contributed pre-tax profit of RM123.2 million in 6M21 compared with RM84.0 million in 6M20, representing an increase of RM39.2 million or 47% in pre-tax profit. The increase in pre-tax profit was mainly due to higher profit recorded by RHB with share of profit of RM131.6 million in 6M21 as compared to RM93.6 million in 6M20.

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:

	Current quarter ended 30.6.2021 2Q21	Immediate preceding quarter ended 31.3.2021 1Q21 (Restated)	change
	RM'000	RM'000	%
Revenue			
1. Property	**173,493**	221,383	(22%)
Construction revenue	*26,783*	*42,503*	*(37%)*
Inter-segment revenue	*(26,782)*	*(41,178)*	*35%*
2. Construction	**1**	1,325	(100%)
3. Industries	**47,654**	53,437	(11%)
4. Hospitality	**6,501**	8,123	(20%)
5. Financial Services & Investment Holding	**39,562**	40,693	(3%)
Revenue	**267,211**	324,961	(18%)
Pre-tax profit/(loss)			
1. Property	**42,528**	59,023	(28%)
2. Construction	**1,232**	422	192%
3. Industries	**1,130**	1,873	(40%)
4. Hospitality	**(5,788)**	(4,687)	(23%)
5. Financial Services & Investment Holding	**80,306**	71,024	13%
Pre-tax profit	**119,408**	127,655	(6%)
Comprised of:			
Pre-tax profit from the business	**27,862**	48,507	(43%)
Share of results of associates and a joint venture	**91,546**	79,148	16%
Pre-tax profit	**119,408**	127,655	(6%)

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

Current Quarter ("2Q21") compared with Immediate Preceding Quarter ("1Q21")

The Group registered revenue of RM267.2 million and pre-tax profit of RM119.4 million in 2Q21 compared with revenue of RM325.0 million and pre-tax profit of RM127.7 million in 1Q21, representing a decrease of RM57.8 million or 18% in revenue and a drop of RM8.3 million or 6% in pre-tax profit. The Financial Services, Construction and Investment Holdings segments recorded improved performance whilst the rest of the segments showed a decline in pre-tax profit from 1Q21.

The Property Segment recorded revenue of RM173.5 million and pre-tax profit of RM42.5 million in 2Q21 compared with revenue of RM221.4 million and pre-tax profit of RM59.0 million in 1Q21, representing a decrease of RM47.9 million or 22% in revenue and a drop of RM16.5 million or 28% in pre-tax profit. The lower performance in 2Q21 was mainly due to the implementation of the Full Movement Control Order ("FMCO") in early June 2021 which caused disruption in the sales momentum in particular projects that are in the advanced stages of constructions where significant revenue could be recognised upon conclusion of a sale. In addition, there were higher allowance for doubtful debts and rental concession given to our tenants under the Investment Property Division during the quarter where tenants under non-essential services were not allowed to operate. The lower profit from our Malaysia property segment was cushioned by higher share of profit that amounted to RM23.3 million, substantially contributed from the settlement of the sale of the retail podium, in 2Q21 from MSQ.

The Construction Segment recorded revenue of RM26.8 million and pre-tax profit of RM1.2 million in 2Q21 compared with revenue of RM42.5 million and pre-tax profit of RM0.4 million in 1Q21, representing a decrease of RM15.7 million or 37% in revenue and an increase of RM0.8 million or 3 times in pre-tax profit. The revenue in the current quarter was lower due to implementation of the FMCO in June 2021 which affected the progress of works at site due to strict adherence to the SOPs. The slight increase in pre-tax profit was contributed by savings in cost from completed projects upon finalisation of accounts with its suppliers.

The Industries Segment recorded revenue of RM47.7 million and pre-tax profit of RM1.1 million in 2Q21 compared with revenue of RM53.4 million and pre-tax profit of RM1.9 million in 1Q21, representing a decrease of RM5.7 million or 11% in revenue and a drop of RM0.8 million or 40% in pre-tax profit. The sales and deliveries to projects slowed down in 2Q21 as some clients' construction sites could not operate during the FMCO. The pre-tax margin during the quarter was further compressed by the rising material prices especially copper and insulation materials for our power cable products.

The Hospitality Segment registered revenue of RM6.5 million and pre-tax loss of RM5.8 million in 2Q21 compared with revenue of RM8.1 million and pre-tax loss of RM4.7 million in 1Q21, representing a decrease of RM1.6 million or 20% in revenue and an increase of RM1.1 million or 23% in pre-tax loss. The performance of Hotel Division continued to be affected by the conditions imposed under MCOs where inter-district and inter-state travels for leisure were banned.

The Capital Financing Division recorded revenue of RM24.8 million and pre-tax profit of RM14.0 million in 2Q21 compared with revenue of RM22.2 million and pre-tax profit of RM14.1 million in 1Q21, representing an increase of RM2.6 million or 12% in revenue and a slight decrease of RM0.1 million in pre-tax profit. The improvement in revenue was mainly due to higher interest income generated from the larger amount of loan portfolio. During the quarter, the Division also made an allowance for doubtful debts amounting to RM0.7 million.

The Investment Holding Division reported pre-tax profit of RM66.2 million in 2Q21 compared with RM56.9 million in 1Q21, representing an increase of RM9.3 million or 16% in pre-tax profit. The improved performance was mainly due to higher profits being recorded by RHB which contributed a profit of RM68.4 million in 2Q21 compared with RM63.2 million in 1Q21.

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

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

Most states where the Group has operations are still in the National Recovery Plan ("NRP") Phase 1 due to high number of daily COVID-19 cases. The economic activities are expected to remain challenging for the remainder of the financial year as the anticipated recovery has been pushed back. The Government's support packages have assisted the local economy although physical movements and activities are restricted. The high vaccination rate for adults particularly in Klang Valley and the target set by Government for majority of adults to be vaccinated by 31 August 2021 gives hope that most economic activities will be back to same level of normalcy in the near future.

During this period, the Management remains committed to ensure that all business divisions continue to comply strictly with the SOPs imposed by the Government as well as adhere to the Group's business continuity plan. In addition, for the safety of our staff, the Group is striving hard to ensure that everyone is able to get vaccinated as quicky as possible.

The performance of the Property Division will continue to be supported by the recognition of revenue from progress billings of those properties sold from on-going projects, new sales from these on-going projects and sales from new projects targeted to be launched this year. In first half of 2021, the Division launched two landed property projects within our township development with a total gross development value ("GDV") of RM177.6 million. For second half year, the Division plans to launch projects with a total GDV of RM998.5 million. These projects which are strategically located in Klang Valley, Seremban and Sungai Petani will provide a continued revenue stream for the sustainability of the Division.

In Australia, the construction of Phase 1 residential was fully completed in early 2020 and sale of the retail podium was completed with the settlement received in May 2021. We will continue to focus on selling the balance of the completed residential units in MSQ for the remaining of the financial year despite the challenging economic environment as new wave of COVID-19 cases hit Australia and its border remains closed.

As at 30 June 2021, the Group has effective unbilled sales of RM0.8 billion with nominal unsold completed stocks and land bank totalling 2,151 acres with an estimated effective GDV of RM14.5 billion in the Klang Valley, Sungai Petani, Butterworth, Kuantan, Seremban and Melbourne, Australia. The Property Development Division will remain a key contributor to the performance of the Group for the remaining FY21.

The performance of the Property Investment Division will remain weak due to the movement restrictions and tenants in non-essential services remaining closed. As at 30 June 2021, the occupancies of Atria Shopping Gallery, Plaza OSK and Faber Towers stood at 91%, 93% and 70% respectively. While the tenancy at the offices building remained fairly stable, the ability to defend the net property income and occupancy rate in the retail mall remains an uphill task with the continuous disruption due to MCOs. The high number of daily COVID-19 cases has affected the footfall to the mall. Nevertheless, we expect the footfall to improve in the near future as Selangor, where we operate, moves into Phase 2 of the NRP.

The Construction Division will continue to deliver its current outstanding order book of RM131.4 million as at 30 June 2021 and targets to replenish new orders from internal 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 of good quality and optimising the development cost, while ensuring timely delivery.

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 market.

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 MCOs and the restriction on inter-district and inter-state travels for leisure continue to have significant impact on the occupancy rates of our hotels. Swiss-Garden Hotel & Residences Genting Highlands and Swiss-Garden Beach Resort Kuantan were opened for business with low room inventory and allowed to check-in guests who were travelling for essential business activities only during this period. 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 are expected to help mitigate any further losses incurred by the Division. The recent announcement by the Government to allow those fully vaccinated to travel inter-district within the State for holidays provides an opportunity for the hotels to increase its occupancy. We will also continue with the strategies on cost optimisation that were implemented since 2020 to contain the losses incurred from the prolonged unfavourable situation.

The demand for SGI Vacation Club new timeshare memberships were impacted by travel restrictions and consumers being more cautious in spending on non-essential items during times 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 the Capital Financing's expansion into Syariah compliant financing as well as contribution from our joint venture with Lyte Venture that provides financing services to freelancers. Given the challenging economic environment, Capital Financing Division will continue to adopt risk-based evaluation while 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 disruption to the economic recovery, the Group is expected to continue to perform satisfactorily for the remaining 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.

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

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

B5. Profit forecast/profit guarantee previously announced

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

B6. Tax expense

	Current quarter ended 30.6.2021 RM'000	Current year to date ended 30.6.2021 RM'000
In respect of the current year income tax	(10,717)	(25,184)
Under provision of income tax in respect of prior years	-	(5)
Deferred income tax	(3,995)	358
Income tax expense	(14,712)	(24,831)

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

B7. Status of corporate proposals and utilisation of proceeds

As at 20 August 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.

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
As at 30.6.2021					
Secured					
Bankers' acceptances - MYR	**-**	**-**	**-**	**11,913**	**11,913**
Medium term notes and Sukuk - MYR (Note A5)	**-**	**1,629,669**	**-**	**68,890**	**1,698,559**
Revolving credits - MYR	**-**	**-**	**-**	**131,170**	**131,170**
Term/Bridging - MYR	**-**	**137,439**	**-**	**12,436**	**149,875**
Term loan - USD (1 : 4.1543) #	**36,000**	**134,853**	**-**	**14,702**	**149,555**
		1,901,961		**239,111**	**2,141,072**
Unsecured					
Revolving credits - MYR	**-**	**-**	**-**	**451,520**	**451,520**
		-		**451,520**	**451,520**
Total		**1,901,961**		**690,631**	**2,592,592**
As at 31.12.2020					
Secured					
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
		1,504,241		197,959	1,702,200
Unsecured					
Revolving credits - MYR	-	-	-	694,797	694,797
		-		694,797	694,797
Total		1,504,241		892,756	2,396,997

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 was 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.

B9. Changes in material litigation

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

B10. Dividends declaration for the current year to date

(a) The Board of Directors has approved to declare a single-tier interim dividend of 1.0 sen (6M20: 1.0 sen) per share for the year ending 31 December 2021.

(b) Total dividend declared for the current year to date is 1.0 sen (6M20: 1.0 sen) per ordinary share.

B11. Earnings Per Share ("EPS")

	Current quarter ended	Comparative quarter ended (Restated)	**Current year to date ended**	Preceding year to date ended (Restated)
	30.6.2021	30.6.2020	**30.6.2021**	30.6.2020
Profit attributable to Owners of the Company (RM'000)	**103,613**	59,828	**220,023**	136,988
Weighted average number of ordinary shares outstanding ('000)	**2,062,104**	2,070,813	**2,062,104**	2,070,880
Basic / Diluted EPS (sen)	**5.02**	2.89	**10.67**	6.61

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.

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

Profit before tax is arrived at after crediting/(charging):	**Current quarter ended 30.6.2021**	Comparative quarter ended 30.6.2020 (Restated)	**Current year to date ended 30.6.2021**	Preceding year to date ended 30.6.2020 (Restated)
	RM'000	RM'000	**RM'000**	RM'000
(i) Revenue				
Interest income	**22,105**	18,112	**41,477**	38,148
Rental income	**7,960**	9,597	**17,096**	18,582
(ii) Cost of sales				
Funding costs	**(7,046)**	(3,117)	**(12,743)**	(10,762)
(iii) Other income				
Funds distribution income	**1,828**	2,323	**3,036**	4,582
Gain on disposals of plant and equipment	**40**	-	**37**	57
Gain on fair valuation of:				
- biological assets	**136**	39	**439**	-
- securities at fair value through profit or loss	**21**	14	**-**	-
- short term funds	**319**	7,268	**55**	5,223
Foreign currency transactions gains	**153**	-	**66**	-
Foreign currency translations gains	**-**	173	**-**	48
Interest income	**320**	1,284	**641**	2,021
Recovery of bad debts of:				
- capital financing	**213**	-	**213**	50
- trade and other receivables	**24**	3	**24**	3
Rental concession received [Note A1 (b)]	**26**	4	**55**	4
Write back of allowance for impairment losses on:				
- trade and other receivables:				
- collective assessment	**10**	101	**32**	101
- individual assessment	**686**	-	**3,780**	126
(iv) Administrative expenses				
Depreciation and amortisation	**(8,914)**	(9,362)	**(17,901)**	(17,602)
(v) Other items of expense				
Impairment loss on:				
- capital financing:				
- collective assessment	**-**	-	**-**	(10)
- individual assessment	**(714)**	-	**(714)**	-
- trade and other receivables:				
- collective assessment	**(156)**	(2,123)	**(672)**	(3,092)
- individual assessment	**(771)**	(3,782)	**(2,373)**	(5,482)
Loss on fair valuation of:				
- biological assets	**-**	-	**-**	(32)
- securities at fair value through profit or loss	**(42)**	-	**(21)**	(88)
- short term funds	**(8)**	-	**(3,531)**	-

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

Profit before tax is arrived at after crediting/(charging): (Cont'd)	**Current quarter ended 30.6.2021 RM'000**	Comparative quarter ended 30.6.2020 (Restated) RM'000	**Current year to date ended 30.6.2021 RM'000**	Preceding year to date ended 30.6.2020 (Restated) RM'000
(v) Other items of expense (Cont'd)				
Foreign currency transactions loss	**-**	(187)	**-**	(147)
Foreign currency translations loss	**(44)**	-	**-**	(16)
Write off of:				
- bad debts on trade and other receivables	**-**	-	**(38)**	(4)
- plant and equipment	**(808)**	-	**(809)**	-
(vi) Finance costs				
Interest expense	**(14,305)**	(16,109)	**(23,090)**	(31,301)

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**
As at 30.6.2021				
Cross-currency interest rate swap ("CCIRS") contract				
- 1 year to 3 years	B8(a)	**147,024**	**(65)**	**(2,595)**

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.

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 30 June 2021.

By Order of the Board

Tan Sri Ong Leong Huat
Executive Chairman
Kuala Lumpur
27 August 2021