

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	AS AT 30-JUNE-2017 (Unaudited) RM'000	AS AT 31-DEC-2016 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,504,510	2,193,909
Investment properties	533,729	537,272
Land held for property development	942,625	899,819
Intangible assets	326,490	323,014
Investment in associates	14,317	14,446
Investment in joint ventures	62,972	229,783
Deferred tax assets	82,203	81,722
Receivables	1,690	1,702
Investment in securities	244,041	322,673
	<u>4,712,577</u>	<u>4,604,340</u>
Current assets		
Property development costs	177,000	208,030
Inventories	55,550	51,485
Tax recoverable	52,270	33,035
Receivables	922,956	591,099
Investment in securities	1,066,554	945,859
Cash and bank balances	1,053,689	1,101,493
	<u>3,328,019</u>	<u>2,931,001</u>
TOTAL ASSETS	<u>8,040,596</u>	<u>7,535,341</u>
EQUITY AND LIABILITIES		
Share capital	1,785,418	1,711,910
Reserves	732,944	672,712
Equity attributable to equity holders of the Company	<u>2,518,362</u>	<u>2,384,622</u>
Non-controlling interests	<u>1,236,762</u>	<u>1,200,424</u>
TOTAL EQUITY	<u>3,755,124</u>	<u>3,585,046</u>
Non-current liabilities		
Deferred tax liabilities	237,677	238,944
Borrowings	1,146,358	1,302,286
Payables	-	9,070
	<u>1,384,035</u>	<u>1,550,300</u>
Current liabilities		
Borrowings	2,182,205	1,873,013
Payables	702,989	499,085
Derivatives	8,774	6,406
Current tax liabilities	7,469	21,491
	<u>2,901,437</u>	<u>2,399,995</u>
TOTAL LIABILITIES	<u>4,285,472</u>	<u>3,950,295</u>
TOTAL EQUITY AND LIABILITIES	<u>8,040,596</u>	<u>7,535,341</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.47</u>	<u>1.39</u>

Notes:

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying notes to the quarterly report attached hereto.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-JUNE-2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUNE-2016 * RM'000	CURRENT YEAR TO DATE 30-JUNE-2017 RM'000	PRECEDING YEAR TO DATE 30-JUNE-2016 * RM'000
Revenue	312,692	169,493	620,047	367,778
Other income	54,640	10,316	89,688	10,345
Other expenses	(261,293)	(189,612)	(471,422)	(450,672)
Operating profit/(loss)	106,039	(9,803)	238,313	(72,549)
Finance income	3,211	2,830	6,160	5,363
Finance costs	(21,564)	(19,206)	(42,493)	(37,728)
Share of results in associates, net of tax	(107)	(8)	(129)	(8)
Share of results in joint ventures, net of tax	-	6,182	-	14,184
Profit/(loss) before tax	87,579	(20,005)	201,851	(90,738)
Income tax	(4,483)	(831)	(9,750)	(10,170)
Profit/(loss) for the financial period	83,096	(20,836)	192,101	(100,908)
Profit/(loss) attributable to:				
Equity holders of the Company	70,894	(17,142)	154,111	(97,510)
Non-controlling interests	12,202	(3,694)	37,990	(3,398)
	83,096	(20,836)	192,101	(100,908)
Earnings/(loss) per share attributable to equity holders of the Company				
Basic (sen)	4.14	(1.00)	9.00	(5.70)
Fully diluted (sen)	4.14	(1.00)	9.00	(5.70)

* Certain comparative figures have been reclassified to conform to current year's presentation

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30-JUNE-2017	30-JUNE-2016	30-JUNE-2017	30-JUNE-2016
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the financial period	83,096	(20,836)	192,101	(100,908)
Other comprehensive income/(loss), net of tax:				
Items that will be reclassified subsequently to profit or loss:				
Net (loss)/gain on foreign currency translation differences	(57,846)	31,613	(21,321)	(88,746)
Available-for-sale financial assets				
- Net fair value (loss)/gain	(2,314)	8,926	(2,237)	6,598
- Reclassification to profit or loss	1,876	343	2,337	693
- Income tax effect	(73)	113	(314)	51
Other comprehensive (loss)/income for the period, net of tax	(58,357)	40,995	(21,535)	(81,404)
Total comprehensive income/(loss) for the financial period	24,739	20,159	170,566	(182,312)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	32,609	7,670	134,016	(148,854)
Non-controlling interests	(7,870)	12,489	36,550	(33,458)
	24,739	20,159	170,566	(182,312)

Notes:

The unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying notes to the quarterly report attached hereto.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

	Attributable to equity holders of the Company						Distributable			
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Available-for-sale reserve RM'000	Exchange translation reserve RM'000	Exchange difference recognised in equity RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2016	1,711,910	63,208	10,300	4,690	296,792	92,492	36,880	2,216,272	1,107,389	3,323,661
Total comprehensive income for the financial period										
- Loss for the financial period	-	-	-	-	-	-	(97,510)	(97,510)	(3,398)	(100,908)
- Other comprehensive income/(loss)	-	-	-	4,915	(37,275)	(18,984)	-	(51,344)	(30,060)	(81,404)
	-	-	-	4,915	(37,275)	(18,984)	(97,510)	(148,854)	(33,458)	(182,312)
Contributions by and distributions to owners of the Company										
Distribution equalisation in unit trust fund	-	-	-	-	-	-	5	5	-	5
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(210)	(210)
Business combination with non-controlling interests	-	-	-	-	-	-	-	-	472	472
Total transaction with owners of the Company	-	-	-	-	-	-	5	5	262	267
At 30 June 2016 (unaudited)	1,711,910	63,208	10,300	9,605	259,517	73,508	(60,625)	2,067,423	1,074,193	3,141,616
At 1 January 2017	1,711,910	63,208	10,300	9,314	323,519	123,449	142,922	2,384,622	1,200,424	3,585,046
Total comprehensive income for the financial period										
- Profit for the financial period	-	-	-	-	-	-	154,111	154,111	37,990	192,101
- Other comprehensive income/(loss)	-	-	-	388	(4,984)	(15,499)	-	(20,095)	(1,440)	(21,535)
	-	-	-	388	(4,984)	(15,499)	154,111	134,016	36,550	170,566
Contributions by and distributions to owners of the Company										
Dividend and distribution equalisation in unit trust fund	-	-	-	-	-	-	(276)	(276)	-	(276)
Business combination with non-controlling interests	-	-	-	-	-	-	-	-	(212)	(212)
Transition to no par value regime ⁽¹⁾	73,508	(63,208)	(10,300)	-	-	-	-	-	-	-
Total transactions with owners of the Company	73,508	(63,208)	(10,300)	-	-	-	(276)	(276)	(212)	(488)
At 30 June 2017 (unaudited)	1,785,418	-	-	9,702	318,535	107,950	296,757	2,518,362	1,236,762	3,755,124

Notes:

⁽¹⁾ Pursuant to Section 74 of the Companies Act 2016 ("the Act"), the Company's shares no longer have a par or nominal value with effect from 31 January 2017. In accordance with the transitional provision set out in Section 618 of the Act, any amount standing to the credit of the share premium and capital redemption reserve becomes part of the Company's share capital. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, utilise this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying notes to the quarterly report attached hereto.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

(The figures have not been audited)

	6 MONTHS ENDED	
	30-JUNE-2017	30-JUNE-2016 *
	RM'000	RM'000
Operating Activities		
Profit/(loss) before tax	201,851	(90,738)
Adjustments for:		
Non-cash items	56,851	86,008
Non-operating items	(46,598)	84,125
Interest income	(29,953)	(25,836)
Operating profit before changes in working capital	<u>182,151</u>	<u>53,559</u>
Net (increase)/decrease in assets	(289,393)	60,715
Net increase/(decrease) in liabilities	<u>158,034</u>	<u>(115,223)</u>
Cash generated from/(used in) operations	50,792	(949)
Interest received	2,788	821
Taxes paid	(33,509)	(12,520)
Net cash generated from/(used in) operating activities	<u>20,071</u>	<u>(12,648)</u>
Investing Activities		
Interest received, net	33,325	30,377
Dividend received	2,647	2,121
Proceeds from interest in joint ventures	164,410	-
Development cost on land held for development	(36,599)	(45,659)
Purchase of property, plant and equipment	(349,011)	(34,751)
Proceeds from disposal of property, plant and equipment	57	83
Purchase of investment properties	(1,810)	(6,668)
Purchase of investment securities	(770,495)	(419,153)
Proceeds from settlement of derivatives	20,834	2,612
Proceeds from disposal/redemption of investment securities	803,246	366,312
Other payments	(54)	(9)
Net cash used in investing activities	<u>(133,450)</u>	<u>(104,735)</u>
Financing Activities		
Interest paid	(42,493)	(37,728)
Net drawdown of borrowings	122,932	332,132
Increase in pledged deposits for financing facilities	(63,468)	(145,563)
Net cash generated from financing activities	<u>16,971</u>	<u>148,841</u>
Net (decrease)/increase in cash and cash equivalents during the period	(96,408)	31,458
Cash and cash equivalents at beginning of year		
As previously reported	655,098	323,430
Effects of exchange rate changes	(14,478)	(6,266)
As restated	640,620	317,164
Cash and cash equivalents at end of current period	<u>544,212</u>	<u>348,622</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	1,053,689	723,857
Less:		
Remisiers' monies	(25,367)	(26,520)
Cash pledged for bank facilities	(484,110)	(348,715)
	<u>544,212</u>	<u>348,622</u>

* Certain comparative figures have been reclassified to conform to current year's presentation.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1 Basis of Preparation

The quarterly financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard (FRS) 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The quarterly financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2016.

A2 Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this quarterly financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2016, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and IC interpretations.

	Effective for financial periods beginning on or after
Amendments to FRS 12 <i>Disclosure of Interests in Other Entities (Annual Improvements to FRS Standards 2014-2016 Cycle)</i>	1 January 2017
Amendments to FRS 107 <i>Statement of Cash Flows: Disclosure Initiative</i>	1 January 2017
Amendments to FRS 112 <i>Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017

The adoption of the amendments/improvements to existing standards did not have any significant impact on the financial statements of the Group in the period of initial application.

Malaysian Financial Reporting Standards Framework (“MFRS Framework”)

The Group falls within the scope of IC Interpretation 15, Agreements for the Construction of Real Estate. Therefore, the Group is currently exempted from adopting the Malaysian Financial Reporting Standards (“MFRSs”) and is referred to as a “Transitioning Entity”.

The Group's financial statements for annual period beginning on 1 January 2018 will be prepared in accordance with the MFRSs issued by the MASB and International Financial Reporting Standards (“IFRSs”).

The initial application of MFRSs will result in a change in accounting policy. The Group is currently assessing the financial impact that may arise from the adoption of MFRS.

A3 Auditors' Report of Preceding Annual Financial Statements

The auditors' report of the preceding annual financial statements was not qualified.

A4 Seasonal or Cyclical Factors

The Group's operations are affected by seasonal and cyclical factors especially the volatility in the trading volume and share prices on the Bursa Malaysia, the general Malaysian economy and seasonal factors that affect the occupancy and room rates of the Group's hotel operations.

A5 Unusual Items Affecting the Financial Statements

There were no items affecting assets, liabilities, equity, net income or cash flows during the financial period under review that were unusual because of their nature, size or incidence.

A6 Changes in Accounting Estimates

There were no changes in estimates that have had a material effect in the current financial period's results.

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities since the last annual reporting date.

A8 Dividends Paid

No dividend was paid during the current financial quarter.

A9 Segmental Information

Segmental revenue and results for the current financial period to date:

	Broking and financial services	Investment holding and Others	Credit and lending	Property investment	Property development	Hotel operations	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External revenue	89,002	69,329	5,533	25,500	108,293	322,390	-	620,047
Inter-segment revenue	177	24,856	715	4,089	-	484	(30,321)	-
Total revenue	89,179	94,185	6,248	29,589	108,293	322,874	(30,321)	620,047
Results								
Net segment results	18,595	116,372	5,475	8,551	18,944	44,286	-	212,223
Foreign exchange gain	409	11,258	-	50	-	19,525	-	31,242
Operating profit	19,004	127,630	5,475	8,601	18,944	63,811	-	243,465
Finance income								6,159
Finance costs								(42,493)
Share of results of associated companies								(129)
Unallocated corporate expenses								(5,151)
Profit before tax								201,851
Income tax								(9,750)
Profit for the financial period								192,101
Profit attributable to:								
Equity holders of the Company								154,111
Non-controlling interests								37,990
								192,101

A10 Subsequent Events

There were no material events subsequent to the end of the current financial period except for the following:-

On 9 August 2017, TA Little Bay Pty Limited (“TALB”), a 60.17% owned subsidiary of the Company entered into a put and call option deed with Karimbla Properties (No.50) Pty Limited for the proposed disposal of undeveloped land comprising of 8 development lots and 26 house lots with total land area of 98,193.3 square meters (24.26 acres) located at 1406-1408 Anzac Parade, Little Bay, New South Wales, Australia. The consideration for the proposed disposal is AUD245 million (equivalent to approximately RM832.2 million).

The proposed disposal is still pending the approval from the shareholders of TA Global Berhad, the holding company of TALB.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period.

A12 Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual reporting date as at 31 December 2016.

A13 Commitments

The amount of capital commitments not provided for as at 30 June 2017 were as follow:

	RM'000
Approved and contracted for:-	
- Property, plant and equipment	3,316
- Development expenditure	49,441
	<u>52,757</u>
	<u><u>52,757</u></u>

B1 Performance Analysis of the Group's Operating Segments

	CURRENT YEAR QUARTER 30 JUNE 2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 JUNE 2016 RM'000
Revenue	312,692	169,493
Other income		
- Gain on disposal of investment securities	7,822	2,149
- Realised fair value gain on investment securities	37,577	3,472
- Unrealised fair value gain on investment securities	-	-
- Realised fair value gain on derivatives	7,109	3,262
- Unrealised fair value gain on derivatives	1,757	-
- Others	375	1,433
	54,640	10,316
Other expenses		
- Amortisation and depreciation	(28,476)	(19,130)
- Cost of properties and construction materials sold	(42,234)	(5,281)
- Property development cost written back on projects completed in prior years	5,094	-
- Remisiers', agents' and futures brokers' commissions	(21,026)	(7,988)
- Hotel operational and personnel cost	(115,765)	(81,466)
- Personnel cost and others	(51,958)	(27,063)
- PPE written off	(2)	(493)
- Unrealised fair value loss on derivatives	-	(336)
- Unrealised fair value loss on investment securities	(13,758)	(48,986)
- Reversal of impairment loss on receivables	746	770
- Impairment loss on investment securities	-	(1,091)
- Foreign exchange gain	6,086	1,452
	(261,293)	(189,612)
Finance income	3,211	2,830
Finance costs	(21,564)	(19,206)
Share of results in associates	(107)	(8)
Share of results in joint venture	-	6,182
Profit/(loss) before tax	87,579	(20,005)

B1 Performance Analysis of the Group's Operating Segments (cont'd)

The Group reported revenue of RM312.7 million and profit before tax of RM87.6 million for the current year's second quarter, compared to revenue of RM169.5 million and loss before tax of RM20.0 million reported in the previous year's corresponding quarter.

For the current period-to-date, the Group achieved revenue of RM620.0 million and profit before tax of RM201.9 million, as compared to revenue of RM367.8 million and loss before tax of RM90.7 million in the previous corresponding period.

Profit before tax for the current year's second quarter and period-to-date increased as compared to the preceding year's corresponding period were mainly attributable to better contribution from broking, investment holding, property development and hotel operation divisions.

The performance of the Group, analysed by its key operating segments are as follows:-

Broking and financial services

Profit before tax of the broking and financial services division increased from RM8.2 mil in the previous year's second quarter to RM10.5 mil in the current year's second quarter.

For the current period-to-date, this division reported profit before tax of RM21.0 million, as compared to profit before tax of RM13.2 million in the preceding year's period-to-date.

The increased in the quarterly and period-to-date results were mainly due to the increase in brokerage income.

Investment holding and Others

Investment holding division reported profit before tax of RM53.4 million in the current year's second quarter, as compared to loss before tax of RM51.5 million in the previous year's corresponding quarter.

In addition to net foreign exchange gain resulted primarily from AUD and USD denominated balances, this division enjoyed higher investment interest income and fair value gain on investment securities.

For the current period-to-date, this division reported profit before tax of RM107.3 million, as compared to loss before tax of RM152.8 million in the preceding year's period-to-date.

In addition to net foreign exchange gain resulted primarily from AUD, CAD and EUR denominated balances, this division enjoyed higher investment interest income, fair value gain on investment securities and fair value gain on derivatives.

Credit and lending

For the current year's second quarter, credit and lending division contributed RM3.9 million profit before tax to the Group, as compared to profit before tax of RM7.4 million in the previous year's corresponding quarter. Lower profit was mainly due to forex loss on translation of CAD denominated receivables.

For the current period-to-date, this division reported profit before tax of RM4.4 million, as compared to profit before tax of RM3.1 million in the preceding year's period-to-date. This was mainly due to higher interest income.

B1 Performance Analysis of the Group's Operating Segments (cont'd)

Property investment

Property investment division reported profit before tax of RM1.1 million in the current year's second quarter, as compared to profit before tax of RM2.2 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported profit before tax of RM1.3 million, as compared to profit before tax of RM3.4 million in the preceding year's period-to-date.

The decreases in the quarterly and period-to-date results were mainly due to the increase in finance costs.

Property development

Property development division reported profit before tax of RM10.0 million in the current year's second quarter, as compared to profit before tax of RM10.1 million in previous year's corresponding quarter.

For the current period-to-date, this division reported profit before tax of RM12.8 million, as compared to profit before tax of RM9.1 million in the preceding year's period-to-date.

Current year's result was mainly contributed by higher profit from a development project in Australia.

Hotel operations

Hotel operations division registered net operating profit of RM9.7 million in the current year's second quarter, as compared to RM7.7 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported net operating profit of RM40.7 million, as compared to net operating profit of RM29.4 million in the preceding year's period-to-date.

The increase in net operating profit was mainly due to higher occupancy rate of our hotels, in particular, the Swissotel Merchant Court in Singapore.

Foreign currency translation gain resulted from the appreciation of USD against THB in the current year has further improved the hotel operations division results.

B2 Material Changes in Profit before Tax for the Current Quarter Compared with the Preceding Quarter

The Group reported profit before tax of RM87.6 million in the current year's second quarter as compared to profit before tax of RM114.3 million in the preceding quarter.

Despite higher profit earned from the investment holding, property development and credit and lending divisions, the Group's result was adversely affected by lower hotel operating revenue and lower foreign currency translation gain on USD denominated balances.

B3 Prospects for the current financial year

The Malaysia economy is expecting a growth GDP of 4.2%-4.8% for 2017 despite the challenging economic environment globally and domestically. However, the downside risk to growth will remain, given the continued uncertainty in the external environment and the weakening of the domestic economy.

The prospect for each business division are summarized below: -

Broking and financial services

For the year 2017, volatilities and uncertainties are abound as the shifting sands of market sentiments will get an additional boost from the political economy of the US and Europe. While resilient economic growth, inflow of FDIs from China, recovery in corporate earnings, higher crude oil price and speculations about the 14th Malaysian General Election will have the tendency to spew positive vibes into the market, unpleasant external surprises from the US and Europe that go against the spirit of globalization will make trading nations like Malaysia increasingly vulnerable. Together with a recovery in private consumption, private investment and the multibillion infrastructure projects in the pipeline, they could act as catalysts to sustain interest in the local equity market.

Thus, we remain hopeful that trading volume, value and activities in Bursa Malaysia will improve slightly to sustain performance of our financial services business in 2017. We will consistently engage, monitor and evaluate our business strategies to maximize return to shareholders. While optimising our existing resources to generate higher brokerage income, we will continue to scout for business opportunities to increase our fee based and proprietary activities, and also to look for strategic locations to grow our branch network.

Credit and lending

The financial year 2017 is expected to be challenging for the credit and lending division. However, the division will strive to increase financing activities by providing term loans to business enterprises for their working capital and to individuals for their investments.

Property investment

For the financial year 2017, the Group is projected to experience a steady recurring income contribution from overseas and local property investments.

Property development

Due to the current tough property outlook in Malaysia, stringent mortgage approvals from the financial institutions and the weak local currency, we anticipate our property sales to be challenging. However, the Group may initiate launching of certain strategically located property development projects in the current year to ride on the next phase of the property cycle.

Hotel operations

For the financial year 2017, the Group's hospitality businesses located in Singapore, Australia, Canada, China and Thailand will generate stronger recurring income stream for the Group. Improved results are expected from our hotels in Australia, Singapore and China whereby the refurbishment and upgrading works have been completed in 2016. The Trump International Hotel & Tower, Vancouver has commenced operations in February 2017 and expects to grow its business gradually.

The Group will continue to explore and evaluate opportunities to acquire new hotels or properties to expand our existing portfolio and to enhance revenue contribution from our hospitality business.

B3 Prospects for the current financial year (cont'd)

Barring any unforeseen circumstances, the Group's financial performance is expected to be good for the financial year ending 31 December 2017.

B4 Variance between Actual Profit and Forecast Profit

Not applicable.

B5 Taxation

a) Taxation for the current financial period is as follows:

	CURRENT QUARTER RM'000	YEAR-TO-DATE RM'000
Current tax expense		
Malaysian - current year	3,568	7,408
- prior year	8	(569)
Foreign - current year	2,935	5,349
- prior year	7	(510)
Deferred tax expense		
Origination and reversal of temporary differences	(2,035)	(1,928)
	<u>4,483</u>	<u>9,750</u>

b) A reconciliation between the statutory and effective tax:

	CURRENT QUARTER RM'000	YEAR-TO-DATE RM'000
Profit before tax	<u>87,579</u>	<u>201,851</u>
Taxation at Malaysian statutory tax rate of 24%	21,019	48,444
Adjustments due to the utilisation of unabsorbed tax losses and capital allowances, income expenses not subject to tax and others	(16,536)	(38,694)
Income tax for the financial period	<u>4,483</u>	<u>9,750</u>

B6 Corporate Proposals

Status of Corporate Proposals

There are no outstanding corporate proposals as at the end of the current financial period.

B7 Group Borrowings and Debt Securities

Total Group borrowings as at 30 June 2017 were as follows:-

	SECURED	UNSECURED	TOTAL
	RM'000	RM'000	RM'000
<u>Long term borrowings</u>			
Term loans	1,146,358	-	1,146,358
<u>Short term borrowings</u>			
Revolving credits	358,500	249,000	607,500
Other short-term loans	1,574,705	-	1,574,705
	<u>1,933,205</u>	<u>249,000</u>	<u>2,182,205</u>
Total borrowings	<u>3,079,563</u>	<u>249,000</u>	<u>3,328,563</u>

The Group borrowings in Ringgit Malaysia ("RM") equivalent analysed by currencies in which the borrowings are denominated were as follows:-

	Long term	Short term	Total
	borrowings	borrowings	Total
	RM'000	RM'000	RM'000
Ringgit Malaysia ("RM")	84,000	607,500	691,500
Canadian Dollar ("CAD")	317,538	208,808	526,346
Singapore Dollar ("SGD")	466,884	140,704	607,588
Australian Dollar ("AUD")	277,936	143,249	421,185
United States Dollar ("USD")	-	934,321	934,321
Hong Kong Dollar ("HKD")	-	27,505	27,505
Euro ("EUR")	-	90,383	90,383
Great Britain Pound ("GBP")	-	29,735	29,735
Total borrowings	<u>1,146,358</u>	<u>2,182,205</u>	<u>3,328,563</u>

B8 Material Litigation

As at 18 August 2017, there were no changes in material litigation since the last financial year ended 31 December 2016.

B9 Dividend

Apart from the first and final single-tier dividend of 1.7% (1.7 sen per ordinary share) in respect of the financial year ended 31 December 2016 which was approved by shareholders during the Annual General Meeting on 24 May 2017, there was no further dividend declared as at the date of this announcement.

B10 Disclosure of derivatives

The Group has entered into geared equity accumulators, decumulators and forwards which formed part of the Group's investment portfolio with an objective to maximise the Group's performance.

These contracts were stated at fair values, using valuation technique with market observable inputs. Derivatives with positive market values are included under current assets and derivatives with negative market values are included under current liabilities. Any changes in fair values during the period are taken directly into the income statement.

Types of derivatives/Maturity	Contract/Notional value RM'000	Fair value asset/(liability) RM'000
Geared Equity Accumulators -Less than 1 year	323,410	(5,334)
Geared Equity Decumulators -Less than 1 year	142,748	(3,440)

B11 Disclosure of gains/losses arising from fair value changes of financial liabilities

There were no gains/losses arising from fair value changes of financial liabilities for the current financial period, other than as disclosed in Note B1 on derivatives.

B12 Disclosure of realised and unrealised profits or losses

The breakdown of retained earnings of the Group as at the reporting date, into realised and unrealised profits pursued to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements were as follows:

	AS AT 30 JUNE 2017 RM'000	AS AT 31 DECEMBER 2016 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	1,376,439	1,135,247
- Unrealised	(158,738)	(140,088)
	<u>1,217,701</u>	<u>995,159</u>
Total share of retained earnings of associates:		
- Realised	2,718	2,847
Total share of retained earnings of joint venture:		
- Realised	91,471	91,471
	<u>1,311,890</u>	<u>1,089,477</u>
Less: Consolidation adjustments	<u>(1,015,133)</u>	<u>(946,555)</u>
Total retained earnings	<u>296,757</u>	<u>142,922</u>

B13 Earnings/(loss) per share attributable to owners of the Company

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	<u>30-JUNE-2017</u>	<u>30-JUNE-2016</u>	<u>30-JUNE-2017</u>	<u>30-JUNE-2016</u>
Basic earnings/(loss) per share				
Profit for the period - attributable to owners of the Company (RM'000)	70,894	(17,142)	154,111	(97,510)
Weighted average number of ordinary shares in issue ('000)	1,711,910	1,711,910	1,711,910	1,711,910
Basic earnings/(loss) per share (sen)	<u>4.14</u>	<u>(1.00)</u>	<u>9.00</u>	<u>(5.70)</u>

Basic earnings per share was calculated based on the Group's profit attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share were not computed for the current and preceding period as the Company does not have any dilutive potential ordinary shares in issue as at the end of the reporting period.

BY ORDER OF THE BOARD
Chuah Wen Pin

Kuala Lumpur
25 August 2017