CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	AS AT 31-MAR-2018	AS AT 31-DEC-2017 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,306,154	2,410,844
Investment properties	502,231	525,510
Inventories	607,805	601,708
Intangible assets	301,611	315,179
Investment in associates	14,248	14,331
Investment in joint ventures	112,479	76,661
Investment in securities	179,354	210,500
Deferred tax assets	32,883	87,202
Receivables	15,837	17,026
	4,072,602	4,258,961
Current assets		
Contract costs	7,667	8,304
Investment in securities	780,956	926,540
Inventories	363,335	786,808
Contract assets	5,905	4,204
Receivables	822,356	643,153
Derivatives	3,514	894
Tax recoverable	53,046	45,334
Other investment	3,084	3,056
Cash and cash equivalents	1,236,149	917,663
	3,276,012	3,335,956
Asset classified as held for sale	8,541	-
	3,284,553	3,335,956
TOTAL ASSETS	**7,357,155**	**7,594,917**
EQUITY AND LIABILITIES		
Share capital	1,775,118	1,775,118
Reserves	764,084	708,019
Total equity attributable to owners of the Company	2,539,202	2,483,137
Non-controlling interests	1,263,628	1,211,825
TOTAL EQUITY	3,802,830	3,694,962
Non-current liabilities		
Deferred tax liabilities	226,640	227,531
Borrowings	336,237	363,691
Payables	-	7,468
	562,877	598,690
Current liabilities		
Borrowings	2,197,371	2,701,788
Payables	714,800	557,013
Contract liabilities	3,667	4,026
Current tax liabilities	53,204	31,403
Derivatives	22,406	7,035
	2,991,448	3,301,265
TOTAL LIABILITIES	3,554,325	3,899,955
TOTAL EQUITY AND LIABILITIES	**7,357,155**	**7,594,917**
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.48	1.45

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 2017 and the accompanying notes to the quarterly report attached hereto.

TA ENTERPRISE BERHAD
(194867-M)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-MAR-2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-MAR-2017 (Restated) RM'000	CURRENT YEAR TO DATE 31-MAR-2018 RM'000	PRECEDING YEAR TO DATE 31-MAR-2017 (Restated) RM'000
Revenue*	1,050,358	256,528	1,050,358	256,528
Other income	24,700	47,219	24,700	47,219
Other expenses	(752,693)	(179,238)	(752,693)	(179,238)
Operating profit	322,365	124,509	322,365	124,509
Finance income	4,144	2,949	4,144	2,949
Finance costs	(19,029)	(20,929)	(19,029)	(20,929)
Share of results in associates, net of tax	(83)	(22)	(83)	(22)
Share of results in joint venture, net of tax	13,519	-	13,519	-
Profit before tax	320,916	106,507	320,916	106,507
Income tax	(101,079)	(4,158)	(101,079)	(4,158)
Profit for the financial period/year	219,837	102,349	219,837	102,349
Profit attributable to:				
Owners of the Company	128,608	79,175	128,608	79,175
Non-controlling interests	91,229	23,174	91,229	23,174
	219,837	102,349	219,837	102,349
Earnings per share attributable to owners of the Company				
Basic (sen)	7.51	4.62	7.51	4.62
Fully diluted (sen)	7.51	4.62	7.51	4.62

*Included in the Revenue for the current year quarter are non-recurring transactions as follows:

(i) The sales proceeds of AUD245 million (RM749.6 million equivalent) excluding GST which was received on 10 January 2018 pursuant to the disposal of a development property located in Little Bay, New South Wales, Australia by TA Little Bay Pty Limited ("TALB"), a 60.17% owned subsidiary of the Company.

(ii) The compensation sum of RM32 million received on 22nd March 2018 from Jabatan Ketua Pengarah Tanah dan Galian Negeri Selangor pursuant to the compulsory acquisition of 8,238 square metres of undeveloped land comprising of Lot 43160 and Lot 43161 located in Pekan Cempaka, District of Petaling Jaya, Selangor Darul Ehsan from TA First Credit Sdn. Bhd. ("TAFC"), a 60.17% owned subsidiary of the Company. The compulsory acquisition of Lot 43160 and Lot 43161 is under the Government of Selangor Gazette dated 23 February 2017 for the purpose of Light Rail Transit ("LRT3") from Bandar Utama to Johan Setia Daerah Petaling.

Note: Certain comparative figures have been restated to conform to current year's presentation.

TA ENTERPRISE BERHAD
(194867-M)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018
(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
	31-MAR-2018	31-MAR-2017 (Restated)	31-MAR-2018	31-MAR-2017 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	219,837	102,349	219,837	102,349
Other comprehensive (loss)/income, net of tax:				
Items that will be reclassified subsequently to profit or loss:				
Net (loss)/gain on foreign currency translation differences	(108,172)	30,349	(108,172)	30,349
Available-for-sale financial assets				
- Net fair value gain	-	77	-	77
- Reclassification to profit or loss	-	461	-	461
- Income tax effect	-	(241)	-	(241)
Debt investments at FVOCI				
- Net fair value loss	(2,109)	-	(2,109)	-
Other comprehensive (loss)/income for the period, net of tax	(110,281)	30,646	(110,281)	30,646
Total comprehensive income for the financial period	109,556	132,995	109,556	132,995
Total comprehensive income attributable to:				
Owners of the Company	57,509	93,833	57,509	93,833
Non-controlling interests	52,047	39,162	52,047	39,162
	109,556	132,995	109,556	132,995

Note:
Certain comparative figures have been restated to conform to current year's presentation.

The sales proceeds of AUD245 million (RM749.6 million equivalent) excluding GST which was received on 10 January 2018 pursuant to the disposal of a development property l

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 2017 and the accompanying notes to the quarterly report attached hereto.

TA ENTERPRISE BERHAD
(194867-M)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	Attributable to equity holders of the Company									
		Non-distributable					Distributable			
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Available -for-sale reserve RM'000	FVOCI reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2017	1,711,910	63,208	10,300	8,962	-	447,037	144,418	2,385,835	1,202,101	3,587,936
Total comprehensive income for the financial period										
- Profit for the financial period	-	-	-	-	-	-	79,175	79,175	23,174	102,349
- Other comprehensive income	-	-	-	844	-	13,814	-	14,658	15,988	30,646
	-	-	-	844	-	13,814	79,175	93,833	39,162	132,995
Contributions by and distributions to owners of the Company										
Distribution equalisation in unit trust fund	-	-	-	-	-	-	26	26	-	26
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(485)	(485)
Total transaction with owners of the Company	-	-	-	-	-	-	26	26	(485)	(459)
Transfer in accordance with Section 618(2) of the Companies Act 2016	63,208	(63,208)	-	-	-	-	-	-	-	-
At 31 March 2017 (unaudited)	1,775,118	-	10,300	9,806	-	460,851	223,619	2,479,694	1,240,778	3,720,472
At 1 January 2018 (as previously stated)	1,775,118	-	10,300	7,384	-	360,399	329,936	2,483,137	1,211,825	3,694,962
Effects of MFRS 9	-	-	-	(7,384)	3,728	-	2,043	(1,613)	(1,072)	(2,685)
At 1 January 2018 (as restated)	1,775,118	-	10,300	-	3,728	360,399	331,979	2,481,524	1,210,753	3,692,277
Total comprehensive income for the financial period										
- Profit for the financial period	-	-	-	-	-	-	128,608	128,608	91,229	219,837
- Other comprehensive loss	-	-	-	-	(590)	(70,509)	-	(71,099)	(39,182)	(110,281)
	-	-	-	-	(590)	(70,509)	128,608	57,509	52,047	109,556
Contributions by and distributions to owners of the Company										
Dividend to owners of the Company	-	-	-	-	-	-	-	-	-	-
Distribution equalisation in unit trust fund	-	-	-	-	-	-	169	169	-	169
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	828	828
Total transactions with owners of the Company	-	-	-	-	-	-	169	169	828	997
The sales proceeds of AUD245 million (RM749.6 million equiva	1,775,118	-	10,300	-	3,138	289,890	460,756	2,539,202	1,263,628	3,802,830

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 2017 and the accompanying notes to the quarterly report attached hereto.

TA ENTERPRISE BERHAD (194867-M)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018
(The figures have not been audited)

	3 MONTHS ENDED	
	31-MAR-2018	**31-MAR-2017 (Restated)**
	RM'000	**RM'000**
Operating Activities		
Profit before tax	320,916	106,507
Adjustments for:		
Non-cash items	81,379	25,964
Non-operating items	958	(9,944)
Interest income	(39,321)	(29,953)
Operating profit before changes in working capital	363,932	92,574
Net decrease/(increase) in assets	430,713	(353,747)
Net (decrease)/increase in liabilities	(30,690)	341,658
Cash generated from operations	763,955	80,485
Interest received	2,409	1,727
Taxes paid	(33,533)	(8,243)
Net cash generated from operating activities	732,831	73,969
Investing Activities		
Interest received, net	41,056	31,175
Dividend received	262	180
(Additional interest in)/Distribution from joint ventures	(28,138)	167,720
Purchase of inventories - land held for property development	(6,097)	(14,681)
Purchase of property, plant and equipment	(6,540)	(347,113)
Purchase of intangible assets	(47)	-
Proceeds from disposal of property, plant and equipment	58	16
Purchase of investment properties	(2,279)	(612)
Purchase of investment securities	(763,529)	(532,839)
Proceeds from settlement of derivatives	7,261	13,725
Proceeds from disposal/redemption of investment securities	820,175	467,592
(Increase)/decrease in pledged deposits for investing facilities	(106,802)	96,149
Other receipts/(payments)	-	(2)
Net cash used in investing activities	(44,620)	(118,690)
Financing Activities		
Interest paid	(18,043)	(20,417)
Net (repayment)/drawdown of borrowings	(450,813)	96,218
Net cash (used in)/generated from financing activities	(468,856)	75,801
Net increase in cash and cash equivalents during the period	219,355	31,080
Cash and cash equivalents at beginning of year		
As previously reported	266,636	307,761
Effects of exchange rate changes	(7,980)	(2,262)
As restated	258,656	305,499
Cash and cash equivalents at end of current period	478,011	336,579
Cash and cash equivalents comprise of:		
Cash and bank balances	1,236,149	1,033,566
Less:		
Remisiers' monies	(25,980)	(25,159)
Cash pledged for bank facilities	(732,158)	(671,828)
	478,011	336,579

Note: Certain comparative figures have been restated to conform with current year's presentation.

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard (MFRS) 134: *Interim Financial Reporting*, International Accounting Standard (IAS) 34 *Interim Financial Reporting* and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017.

A2 Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2017, except for the adoption of the following new and revised Malaysian Financial Reporting Standards (MFRSs), Amendments to MFRSs and IC interpretations.

	Effective for financial periods beginning on or after
MFRS 9 *Financial Instruments*	1 January 2018
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
Amendments to MFRS 2 *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to MFRS 4 *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*	1 January 2018
Amendments to MFRS 128 *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*	1 January 2018
Amendments to MFRS 140 *Investment Property – Transfers of Investment Property*	1 January 2018

The adoption of the above pronouncements has no significant impact to the financial statements of the Group in the period of initial application, except as described below.

A2 Changes in Accounting Policies (continued)

MFRS 9 *Financial Instruments*

MFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces MFRS 139 *Financial Instruments: Recognition and Measurement.*

The following table summarises the impact, net of tax, of transition to MFRS 9 on the opening balance of reserves, retained earnings and NCI (for a description of the transition method, see (***iii***) below).

	Impact of adopting MFRS 9 on opening balance ***RM'000***
AFS Reserve	
Classification impact under MFRS 9	(7,384)
Impact at 1 January 2018	**(7,384)**
FVOCI Reserve	
Classification impact under MFRS 9	4,470
Recognition of expected credit losses under MFRS 9	(742)
Impact at 1 January 2018	**3,728**
Retained earnings	
Classification impact under MFRS 9	5,437
Recognition of expected credit losses under MFRS 9	(3,394)
Impact at 1 January 2018	**2,043**
Non-controlling interest	
Recognition of expected credit losses under MFRS 9	(1,072)
Impact at 1 January 2018	**(1,072)**

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

(i) Classification and measurement of financial assets and financial liabilities

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification and measurement of financial liabilities. However, it eliminates the previous MFRS 139 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of MFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments as the Group's derivatives are not used as hedging instruments.

Under MFRS 9, on initial recognition, the Group classifies its financial assets as measured at:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

A2 Changes in Accounting Policies (continued)

MFRS 9 *Financial Instruments* (continued)

(i) Classification and measurement of financial assets and financial liabilities (continued)

The classification of financial assets under MFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

The following summarises the key changes which affects the Group:

- The Available-for-sale ("AFS") and loans and receivables financial asset categories were removed.

- A new asset category measured at Fair Value through Other Comprehensive Income ("FVOCI") was introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principal and interests and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- A new asset category measured at amortised cost was introduced. This applies to financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by collecting contractual cash flows only.

(ii) Impairment of financial assets

MFRS 9 replaces the ‘incurred loss’ model in MFRS 139 with an ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Group’s financial assets at amortised cost consist of financial receivables, trade and other receivables, and bank balances.

The key changes in the Group’s accounting policies for impairment of financial assets are as follow:

a) Unquoted bonds, financial receivables, and cash and cash equivalents

The amount of ECL is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and all the cash flows that the Group expects to receive.

The Group applies a two-step approach to measure the ECL on unquoted bonds, financial receivables, and cash and cash equivalents:

(i) 12-months ECL

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group shall measure the loss allowance for that financial asset at an amount equal to the probability of default events occurring within the next 12 months and considering the loss given default of that financial asset.

MFRS 9 *Financial Instruments* (continued)

(ii) Impairment of financial assets (continued)

a) Unquoted bonds, financial receivables, and cash and cash equivalents (continued)

(ii) Lifetime ECL

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as loss allowance by the Group. If in a subsequent period, the lifetime ECL is no longer met, the Group shall revert the loss allowance measurement from lifetime ECL to 12-months ECL.

At each reporting date, the Group assesses whether there is a significant increase in credit risk for unquoted bonds, financial receivables and bank balances since initial recognition by comparing risk of defaults on these financial assets as at the reporting date with the risk of defaults as at the date of initial recognition. The Group considers external credit rating and other supportive information to assess deterioration in credit quality of these financial assets.

b) Trade and other receivables which are financial assets

The Group applies the simplified approach prescribed by MFRS 9 which required expected lifetime losses to be recognised from initial recognition of the trade and other receivables which are financial assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

A2 Changes in Accounting Policies (continued)

MFRS 9 *Financial Instruments* (continued)

The following table explains the reclassification and measurement of each class of the Group's financial assets as at 1 January 2018.

	Note	Original classification under MFRS 139	New classification under MFRS 9	Original carrying value under MFRS 139	New carrying value under MFRS 9
				RM'000	RM'000
Non-current financial assets					
Investment in quoted shares		Available-for-sale	Mandatorily at FVTPL	18,727	18,727
Investment in unquoted shares	(a)	Available-for-sale	FVOCI - equity instrument	490	490
Investment in unquoted bonds	(b)	Available-for-sale	FVOCI - debt instrument	189,348	189,348
Investment in quoted unit trusts		Available-for-sale	Mandatorily at FVTPL	1,935	1,935
Current financial assets					
Financial receivables	(c)	Loans and receivables	Amortised cost	86,376	85,885
Trade receivables and other receivables	(c)	Loans and receivables	Amortised cost	545,411	542,814
Cash and cash equivalents		Loans and receivables	Amortised cost	917,663	917,027
Contract assets		Loans and receivables	Amortised cost	4,204	4,204
Derivatives		Held-for-trading	Mandatorily at FVTPL	894	894
Investment in quoted shares	(d)	Designated as at FVTPL	Mandatorily at FVTPL	303,969	303,969
Investment in quoted unit trusts	(d)	Designated as at FVTPL	Mandatorily at FVTPL	20,332	20,332
Investment in unquoted securities		Held-for-trading	Mandatorily at FVTPL	602,239	602,239
Other investment		Loans and receivables	Amortised cost	3,059	3,059

The effect of adopting MFRS 9 on the carrying values of financial assets at 1 January 2018 related solely to the new impairment requirements, as described further below:

(a) Investment in unquoted shares represents investment that the Group intends to hold for the long term for strategic purposes. As permitted by MFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike MFRS 139, the accumulated fair value reserve related to this investment will never be reclassified to profit or loss.

(b) Investment in unquoted bonds categorised as available-for-sale under MFRS 139 are held by the Group in a separate portfolio to provide interest income, but may be sold to meet liquidity requirements arising in the normal course of business. The Group considers that these bonds are held within a business model whose objective is achieved both by collecting contractual cash flows and by selling bonds. The contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets have therefore been classified as financial assets at FVOCI under MFRS 9. On transition to MFRS 9, an allowance for impairment of RM1.2mil was recognised as a decrease in opening retaining earnings and a decrease in FVOCI reserve at 1 January 2018.

(c) Financial receivables, trade receivables, other receivables, and cash and cash equivalents that have previously been classified as loans and receivables under MFRS 139 are now classified at amortised cost. The Group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. An increase of RM3.7mil in the allowance for impairment over these assets was recognised in opening retained earnings at 1 January 2018 on transition to MFRS 9.

A2 Changes in Accounting Policies (continued)

MFRS 9 *Financial Instruments* (continued)

(d) Under MFRS 139, these securities were designated as at FVTPL because they were managed on a fair value basis and their performance was monitored on this basis. These securities have been classified as mandatorily measured at FVTPL under MFRS 9.

For assets in the scope of the MFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of MFRS 9's impairment requirements at 1 January 2018 results in an additional impairment allowance as follows:-

	Impact of the new impairment model RM'000
Loss allowance at 31 December 2017 under MFRS 139	159,676
Additional impairment recognised at 1 January 2018 on:	
Financial receivables	491
Trade and other receivables	2,597
Cash and cash equivalents	636
Loss allowance at 1 January 2018 under MFRS 9	**163,400**

(iii) Transition

Changes in accounting policies resulting from the adoption of MFRS 9 have been applied retrospectively, except as described below.

The Group has taken an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of MFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of MFRS 9 but rather those of MFRS 139.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
- The designation of certain investments in equity instruments not held for trading as at FVOCI.

If an investment in a debt security had low credit risk at the date of initial application of MFRS 9, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

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	38,788	37,996	2,317	13,681	784,695	172,881	-	1,050,358
Inter-segment revenue	8	22,338	880	4,083	-	-	(27,309)	-
Total revenue	38,796	60,334	3,197	17,764	784,695	172,881	(27,309)	1,050,358
Results								
Net segment results	7,908	(48,665)	2,653	6,487	345,145	36,243	-	349,771
Foreign exchange gain/(loss)	57	(33,394)	(10,877)	373	-	19,045	-	(24,796)
Operating profit/(loss)	7,965	(82,059)	(8,224)	6,860	345,145	55,288	-	324,975
Finance income	1,618	1,697	36	168	525	100	-	4,144
Finance costs	(436)	(9,545)	(945)	(3,719)	(1,172)	(3,212)	-	(19,029)
Share of results of associates	-	-	-	(83)	-	-	-	(83)
Share of results of joint venture	-	-	-	-	13,519	-	-	13,519
Segment profit/(loss)	9,147	(89,907)	(9,133)	3,226	358,017	52,176	-	323,526
Unallocated corporate expenses								(2,610)
Profit before tax								320,916
Income tax								(101,079)
Profit for the financial period								219,837
Profit attributable to:								
Equity holders of the Company								128,608
Non-controlling interests								91,229
								219,837

A10 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market and major products and service lines. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note A9).

	Reportable segments															
For 3 months ended 31 March	**Broking and financial services**		**Investment holding**		**Credit and lending**		**Property investment**		**Property development**		**Hotel operations**		**Others**		**Consolidated**	
In RM'000	**2018**	2017 *	**2018**	2017 *	**2018**	2017*	**2018**	2017 *	**2018**	2017 *	**2018**	2017 *	**2018**	2017 *	**2018**	2017 *
Primary geographical markets																
Malaysia	**38,788**	41,630	**294**	33	**2,317**	1,932	**4,348**	4,626	**35,068**	509	**100**	-	**353**	373	**81,268**	49,103
Australia	**-**	-	**-**	-	**-**	-	**-**	-	**749,627**	-	**59,447**	67,916	**-**	-	**809,074**	67,916
Canada	**-**	-	**-**	-	**-**	-	**9,031**	7,048	**-**	-	**31,310**	24,696	**-**	-	**40,341**	31,744
British Virgin Island	**-**	-	**37,349**	28,287	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**37,349**	28,287
Singapore	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**42,568**	40,205	**-**	-	**42,568**	40,205
China	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**9,276**	9,754	**-**	-	**9,276**	9,754
Thailand	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**30,180**	29,128	**-**	-	**30,180**	29,128
Hong Kong	**-**	-	**-**	-	**-**	-	**302**	391	**-**	-	**-**	-	**-**	-	**302**	391
	38,788	41,630	**37,643**	28,320	**2,317**	1,932	**13,681**	12,065	**784,695**	509	**172,881**	171,699	**353**	373	**1,050,358**	256,528
Major products/service lines																
Hotel room rental and related revenue	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**172,556**	171,699	**-**	-	**172,556**	171,699
Gross brokerage fee	**18,164**	19,339	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**18,164**	19,339
Service and administration charges	**4,482**	3,780	**-**	-	**18**	43	**-**	-	**-**	-	**-**	-	**-**	-	**4,500**	3,823
Underwriting commission and placement fees	**2,430**	2,695	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**2,430**	2,695
Sale of food and beverage	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**263**	278	**263**	278
Nominee service fees	**4**	3	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**4**	3
Profit from sale of trust units to unit holders	**5,970**	9,284	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**5,970**	9,284
Manager's fee earned on Unit trust funds	**4,786.00**	2,942	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**4,786**	2,942
Portfolio management fees earned on private mand	**300**	229	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**300**	229
Derivative trading income	**1,811**	2,482	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**1,811**	2,482
Rollover fees	**546**	576	**-**	-	**155**	254	**-**	-	**-**	-	**-**	-	**-**	-	**701**	830
Management fees	**-**	-	**152**	22	**-**	-	**440**	130	**-**	-	**-**	-	**-**	-	**592**	152
Sales of properties	**-**	-	**-**	-	**-**	-	**-**	-	**784,096**	-	**-**	-	**-**	-	**784,096**	-
Sales of construction materials	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	88	**-**	88
Rental income	**44**	55	**89**	-	**-**	-	**13,241**	11,935	**599**	509	**325**	-	**90**	7	**14,388**	12,506
Interest income	**-**	53	**37,217**	28,298	**2,144**	1,635	**-**	-	**-**	-	**-**	-	**-**	-	**39,361**	29,986
Gross dividends	**106**	168	**185**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**291**	168
Gain on disposal of other investments	**145**	24	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**145**	24
	38,788	41,630	**37,643**	28,320	**2,317**	1,932	**13,681**	12,065	**784,695**	509	**172,881**	171,699	**353**	373	**1,050,358**	256,528

* The Group has initially applied MFRS 9 at 1 January 2018. Under the transition method chosen, comparative information is not restated. See ***Note A2 (iii).***

A10 Subsequent Events

There were no material events subsequent to the end of the current financial period except as disclosed below:-

On 20 April 2018, the Company announced that Winner Star Group Limited, a wholly-owned subsidiary of the Company has entered into a sale and purchase agreement with Champion Castle Limited for the disposal of two units of office lots located at Tower One Lippo Centre, Hong Kong, for a total cash consideration of HK$137 million (RM67.4 million equivalent).

As at 23 May 2018, a deposit of HK$13.7 million has been paid by Champion Castle Limited to Winner Star Group Limited's solicitors as stakeholder in consideration of the disposal. The disposal is expected to be completed in June 2018.

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 2017.

A13 Commitments

The amount of capital commitments not provided for as at 31 March 2018 were as follow:

	RM'000
Approved and contracted for:-	
- Property, plant and equipment	5,531
- Development expenditure	77,260
	82,791

Notes (in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad)

B1 Performance Analysis of the Group's Operating Segments

	CURRENT YEAR QUARTER 31 MAR 2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MAR 2017 RM'000 (Restated)
Revenue	1,050,358	256,528
Other income		
- Gain on disposal of investment securities	6,955	4,501
- Gain on redemption of preference shares in a subsidiary	-	6,883
- Realised fair value gain on investment securities	4,652	8,932
- Unrealised fair value gain on investment securities	-	10,414
- Realised fair value gain on derivatives	7,260	13,725
- Others	5,833	2,764
	24,700	47,219
Other expenses		
- Amortisation and depreciation	(27,418)	(24,582)
- Cost of properties and construction materials sold	(438,270)	(3,631)
- Remisiers', agents' and futures brokers' commissions	(13,735)	(17,081)
- Hotel operational and personnel cost	(117,572)	(118,749)
- Personnel cost and others	(40,778)	(35,750)
- Property, plant and equipment written off	(15)	-
- Loss on disposal of property, plant and equipment	(91)	-
- Unrealised fair value loss on derivatives	(13,146)	(5,623)
- Unrealised fair value loss on investment securities	(77,922)	-
- Reversal of impairment loss on receivables	366	1,022
- Reversal of impairment loss on property, plant and equipment	684	-
- Foreign exchange (loss)/gain	(24,796)	25,156
	(752,693)	(179,238)
Finance income	4,144	2,949
Finance costs	(19,029)	(20,929)
Share of results in associates	(83)	(22)
Share of results in joint venture	13,519	-
Profit before tax	320,916	106,507

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

The Group reported revenue of RM1,050.4 million and profit before tax of RM320.9 million for the current year's first quarter, compared to revenue of RM256.5 million and profit before tax of RM106.5 million reported in the previous year's corresponding quarter.

The increase in profit before tax was mainly attributable to contribution from property investment, property development and hotel operations.

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 decreased from RM10.5 mil in the previous year's first quarter to RM9.1 mil in the current year's first quarter. This was mainly due to the decrease in derivative trading income and profit from sale of trust units.

Investment holding and others

Investment holding division reported loss before tax of RM89.9 million in the current year's first quarter, as compared to profit before tax of RM56.4 million in the previous year's corresponding quarter.

Despite the increase in revenue, the loss before tax mainly arose from unrealised fair value losses on investment in securities and derivatives as well as net foreign exchange loss from AUD and CAD denominated balances.

Credit and lending

For the current year's first quarter, credit and lending division has experienced loss before tax of RM9.1 million, as compared to profit before tax of RM0.5 million in the previous year's corresponding quarter.

The division incurred foreign exchange loss resulted from the translation of CAD denominated balance despite slight increase in interest income from financial receivables.

B1 Performance Analysis of the Group’s Operating Segments (continued)

Property investment

Property investment division reported profit before tax of RM3.2 million in the current year’s first quarter, as compared to profit before tax of RM0.2 million in the previous year’s corresponding quarter. The increase was mainly due to higher rental revenue.

Property development

Property development division reported profit before tax of RM358.0 million in the current year’s first quarter, as compared to loss before tax of RM4.9 million in previous year’s corresponding quarter.

The increase was mainly due to gain on disposal of development property located in Little Bay, Australia and the compulsory acquisition of an undeveloped land located in Petaling Jaya, Selangor Darul Ehsan by the Government of Malaysia.

Hotel operations

Hotel operations division registered net operating profit of RM33.1 million in the current year’s first quarter, as compared to RM28.6 million in the previous year’s corresponding quarter.

The increase in net operating profit was mainly due to higher hotel occupancy, in particular, the Swissotel Merchant Court in Singapore and lower finance costs.

Foreign exchange translation gain resulted from the appreciation of USD against THB in the current year’s first quarter has further improved the hotel operations division’s current period.

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

The Group reported profit before tax of RM320.9 million in the current year’s first quarter as compared to profit before tax of RM19.6 million in the preceding quarter.

Despite net fair value losses on investment securities and derivatives in the current year’s first quarter, the Group’s profit before tax increased mainly due lower personnel cost, gain on disposal of development property located in Little Bay, Australia, and gain on the compulsory acquisition of an undeveloped land located in Petaling Jaya, Selangor Darul Ehsan by the Government of Malaysia.

B3 Prospects for the current financial year

With the conclusion of the Malaysian 14th General Election in May 2018 and the announced reduction of Goods & Service Tax (GST) from 6% to 0% by the new Government of Malaysia recently, the general prospect of most business sectors in Malaysia is expected to be more upbeat and positive. With the expected growth rate of 5.5%-6.0% in 2018 for Malaysia, local businesses are expected to record better growth for the year. On the global front, global business activities may see higher growth for 2018 on the back of an expected growth rate of 3.1%.

The prospects for each business division are summarized below: -

Broking and financial services

For the financial year 2018, the major stock markets of the world (particularly, the US stock market) are expected to see huge volatility & uncertainty, which will have cascading effect on the Malaysian stock market.

Hopefully, the uncertainty and volatility of the world's stock markets will generate greater trading volume and activities in Bursa Malaysia. With this, we hope to experience an improved performance in our financial services business for the financial year 2018.

While optimising our existing resources to generate higher brokerage income, we will continue to look out for business opportunities to increase our fees- based and proprietary activities to maximize return to our shareholders. The stockbroking division will continue to look for strategic locations to grow our branch network in Malaysia.

Credit and lending

The financial year 2018 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 2018, the Group expects a steady recurring income and cash-flows contribution from its overseas and local property investments as most of its overseas and local investment properties are well tenanted with long tenancy terms.

Property development

The year 2018 will be a challenging year with certain pressing issues that will continue to affect the property market. Since 2012, the Government has implemented various cooling measures to curb excessive speculation in the property market. Coupled with the over-supply of properties, lower disposable income and lower purchasing power of the average Malaysians and stringent mortgage criteria imposed by the financial institutions, the property market is currently lacklustre. Generally, the Malaysia property market is expected to be flattish in 2018 with low single digit growth in terms of prices and moderate property sales.

B3 Prospects for the current financial year (continued)

Property development (continued)

For the financial year 2018, the Group may launch a few property development projects in certain strategic locations within the Klang Valley and Kuala Lumpur, to ride on the next phase of the property cycle in Malaysia. Strategic changes on products, pricing and innovative sales strategies will be adopted. We anticipate moderate sales from these property launches.

On the overseas front, the Group's development project in Little Bay Cove is expected to be completed and delivered to the Purchasers in the third quarter of 2018. This Illume apartment project consists of 179-units of high-end apartments in Little Bay, Sydney, Australia is currently 99.4% sold.

Hotel operations

For the financial year 2018, the Group's hospitality businesses located in Singapore, Australia, Canada, China and Thailand will continue to grow its revenue and profits and provide a steady recurring income stream for the Group. Following the completion of major refurbishment and upgrading works in these hotels in Singapore, Australia, Canada and Thailand, improved results are expected as these hotels are poised to regain loss grounds and improve its market share in 2018.

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

Barring any unforeseen circumstances, the Group's financial performance is expected to be good for the financial year ending 31 December 2018.

B4 Variance between Actual Profit and Forecast Profit

Not applicable.

B5 Taxation

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

		CURRENT QUARTER/ YEAR TO DATE RM'000
Current tax expense		
Malaysian	- current year	10,703
	- prior year	12
Foreign	- current year	37,620
	- prior year	-
Deferred tax expense		
Origination and reversal of temporary differences		53,215
Over provision in prior year		(471)
		101,079

Income tax is calculated at the Malaysian statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the period. Taxation for the other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The effective tax rate of the Group for the current quarter was higher than the Malaysian statutory tax rate mainly due to reversal of deferred tax asset, income subject to higher tax rate in certain jurisdiction of the subsidiaries and non-allowable expenses for tax assessment.

B6 Corporate Proposals

There is no corporate proposal announced or not completed by the Group as at the date of this report.

Utilisation of sale proceeds

As at 23 May 2018, the status of the utilisation of sale proceeds from the disposal of development property located in Little Bay, Australia, which was completed on 10 January 2018 is as follows:

Utilisation purposes	Proposed utilisation as set out in the circular dated 7 November 2017	Actual utilisation as at 23 May 2018	Proposed utilisation of the remaining disposal consideration	
	Amount	Amount	Amount	Intended timeframe for utilisation
	RM'000	RM'000	RM'000	
Working capital for on-going property development projects	149,081	94,041	55,040	within 20 months
Repayment of bank borrowings	583,362	491,565	91,797	within 2 months
Estimated tax expenses in relation to the disposal	45,373	-	45,373	within 8 months
Estimated expenses in relation to the disposal	16,205	16,205	-	utilised
Total	**794,021**	**601,811**	**192,210**	

B7 Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2018 were as follows:-

	SECURED RM'000	UNSECURED RM'000	TOTAL RM'000
Long term borrowings			
Term loans	336,237	-	336,237
Short term borrowings			
Overdrafts	237,180	-	237,180
Revolving credits	368,950	254,000	622,950
Other short-term loans	1,337,241	-	1,337,241
	1,943,371	254,000	2,197,371
Total borrowings	2,279,608	254,000	2,533,608

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

	Long term borrowings RM'000	Short term borrowings RM'000	Total RM'000
Ringgit Malaysia ("RM")	60,000	638,950	698,950
Canadian Dollar ("CAD")	276,237	185,670	461,907
Singapore Dollar ("SGD")	-	501,660	501,660
Australian Dollar ("AUD")	-	47,713	47,713
United States Dollar ("USD")	-	760,341	760,341
Hong Kong Dollar ("HKD")	-	24,610	24,610
Euro ("EUR")	-	24,063	24,063
Great Britain Pound ("GBP")	-	14,364	14,364
Total borrowings	336,237	2,197,371	2,533,608

B8 Financial Instruments

(i) Accounting classifications

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount						Fair value			
31 March 2018	**Mandatorily at**	**FVOCI -**	**FVOCI -**	**Financial assets at**	**Financial liabilities at**					
In RM'000	**FVTPL**	**equity instrument**	**debt instrument**	**amortised cost**	**amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value										
Investment in quoted shares	141,260	-	-	-	-	141,260	141,260	-	-	141,260
Investment in unquoted bonds	-	-	179,731	-	-	179,731	-	179,731	-	179,731
Investment in quoted unit trusts	21,011	-	-	-	-	21,011	-	21,011	-	21,011
Investment in unquoted securities	617,817	-	-	-	-	617,817	-	-	617,817	617,817
Derivatives	3,514	-	-	-	-	3,514	-	3,514	-	3,514
	783,603	-	179,731	-	-	963,334	141,260	204,256	617,817	963,334
Financial assets not measured at fair value										
Investment in unquoted shares	-	490	-	-	-	490	-	-	-	-
Financial receivables	-	-	-	82,508	-	82,508	-	-	-	-
Trade receivables and other receivables **	-	-	-	722,725	-	722,725	-	-	-	-
Cash and cash equivalents	-	-	-	1,236,149	-	1,236,149	-	-	-	-
Contract assets	-	-	-	5,905	-	5,905	-	-	-	-
Other investment	-	-	-	3,084	-	3,084	-	-	-	-
	-	490	-	2,050,370	-	2,050,860	-	-	-	-
Financial liabilities measured at fair value										
Derivatives	22,406	-	-	-	-	22,406	-	22,406	-	22,406
	22,406	-	-	-	-	22,406	-	22,406	-	22,406
Financial liabilities not measured at fair value										
Trade payables and other payables **	-	-	-	-	656,446	656,446	-	-	-	-
Borrowings	-	-	-	-	2,197,371	2,197,371	-	-	-	-
Contract liabilities	-	-	-	-	3,667	3,667	-	-	-	-
	-	-	-	-	2,857,484	2,857,484	-	-	-	-

*** Other receivables and other payables that are not financial assets and not financial liabilities are not included.*

B8 Financial Instruments (continued)

(i) Accounting classifications (continued)

31 December 2017 * *In RM'000*	Carrying amount Designated as at FVTPL	Held for trading	Available for sale	Loans and receivables	Financial liabilities at amortised cost	Total	Fair value Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment in quoted shares	303,969	-	18,727	-	-	322,696	322,696	-	-	322,696
Investment in unquoted bonds	-	-	189,348	-	-	189,348	-	189,348	-	189,348
Investment in quoted unit trusts	20,332	-	1,935	-	-	22,267	-	22,267	-	22,267
Investment in unquoted securities	-	602,239	-	-	-	602,239	-	-	602,239	602,239
Derivatives	-	894	-	-	-	894	-	894	-	894
	324,301	603,133	210,010	-	-	1,137,444	322,696	212,509	602,239	1,137,444
Financial assets not measured at fair value										
Investment in unquoted shares	-	490	-	-	-	490	-	-	-	-
Financial receivables	-	-	-	86,376	-	86,376	-	-	-	-
Trade receivables and other receivables **	-	-	-	545,411	-	545,411	-	-	-	-
Cash and cash equivalents	-	-	-	917,663	-	917,663	-	-	-	-
Contract assets	-	-	-	4,204	-	4,204	-	-	-	-
Other investment	-	-	-	3,059	-	3,059	-	-	-	-
	-	490	-	1,556,713	-	1,557,203	-	-	-	-
Financial liabilities measured at fair value										
Derivatives	7,035	-	-	-	-	7,035	-	7,035	-	7,035
	7,035	-	-	-	-	7,035	-	7,035	-	7,035
Financial liabilities not measured at fair value										
Trade payables and other payables **	-	-	-	-	465,262	465,262	-	-	-	-
Borrowings	-	-	-	-	2,701,788	2,701,788	-	-	-	-
Contract liabilities	-	-	-	-	4,026	4,026	-	-	-	-
	-	-	-	-	3,171,076	3,171,076	-	-	-	-

* *The Group has initially applied MFRS 9 at 1 January 2018. Under the transition method chosen, comparative information is not restated.*
** *Other receivables and other payables that are not financial assets and not financial liabilities are not included.*

B8 Financial Instruments (continued)

(ii) Fair values

(a) Financial instruments measured at fair value

Financial assets at FVTPL and FVOCI are measured at fair value at different measurement hierarchies (i.e. Level 1, 2 and 3). The hierarchies reflect the level of objectiveness of inputs used when measuring the fair value.

(i) Level 1: Quoted prices (unadjusted) of identical assets in active markets

Quoted shares are measured at Level 1. The fair value of quoted shares is determined directly by reference to their published market bid prices as at 31 March 2018 and 31 December 2017.

(ii) Level 2: Inputs other than at quoted prices included within Level 1 that are observable for the assets, either directly (prices) or indirectly (derived from prices)

Quoted unit trusts, unquoted bonds and derivatives are measured at Level 2.

Quoted unit trusts
The quoted unit trusts are valued based on Net Asset Value (NAV) of the fund, as reported by the managers of such funds.

Unquoted bonds
The fair values of unquoted bonds are obtained from financial institutions and are determined based on market observable inputs at reporting date.

Derivatives (comprising geared equity accumulators, decumulators and stock options)
The fair values of geared equity accumulators and decumulators are estimated by considering primarily on knockout percentage, discount percentage, variability of the underlying stock, and the overall market trends, commonly used by financial institutions.

The fair values of stock options are estimated based on Black-Scholes model and market-implied volatility, taking into consideration variables such as expected life of options, risk-free interest rate and expected dividend yield.

There were no transfers between Level 1 and Level 2 during the current quarter/year-to-date ended 31 March 2018.

B8 Financial Instruments (continued)

(i) Fair values (continued)

(b) Financial instruments measured at fair value (continued)

(iii) Level 3: Inputs for the assets that are not based on observable market data

Unquoted securities are measured at Level 3.

The fair values of unquoted securities are based on financial institutions quotes by using discounted cash flows and option pricing valuation technique. Significant unobservable inputs include equity volatility and equity correlation.

Reconciliation of Level 3 fair values

The following table shows reconciliation from the opening balances to the closing balances for Level 3 fair values.

In RM'000	Unquoted securities
Balance at 1 January 2017	679,586
Purchases	341,318
Disposal	(248,231)
Fair value gains and losses recognised in profit or loss	
- Unrealised	11,853
- Realised	6,190
Gains and losses recognised in other comprehensive income	
- Exchange translation reserve	(9,658)
Balance at 31 March 2017	781,058
Balance at 1 January 2018	602,239
Purchases	582,198
Disposal	(469,681)
Fair value gains and losses recognised in profit or loss	
- Unrealised	(63,327)
- Realised	(5,810)
Gains and losses recognised in other comprehensive income	
- Exchange translation reserve	(27,802)
Balance at 31 March 2018	617,817

(c) Financial instruments not measured at fair value

The carrying amount of financial assets and financial liabilities at amortised cost are reasonable approximation of their fair values.

B9 Material Litigation

As at 23 May 2018, there were no changes in material litigation since the last financial year ended 31 December 2017.

B10 Dividend

On 27 April 2018, based on the recommendation of the Board of Directors, a final single-tier dividend of 4.1 sen per ordinary share in respect of the financial year ended 31 December 2017 was proposed. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

No further dividend is proposed as at the date of this announcement other than as stated above.

B11 Disclosure of derivatives

The Group has entered into geared equity accumulators and decumulators 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 RM'000	Fair value liability RM'000
Geared Equity Accumulators			
-Less than 1 year	409,181	1,784	(21,870)
Geared Equity Decumulators			
-Less than 1 year	45,589	1,730	(536)

B12 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.

B13 Earnings 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 TO DATE
	31-MAR-2018	31-MAR-2017	31-MAR-2018	31-MAR-2017
Basic earnings per share				
Profit for the period - attributable to owners of the Company (RM'000)	128,608	79,175	128,608	79,175
Weighted average number of ordinary shares in issue ('000)	1,711,910	1,711,910	1,711,910	1,711,910
Basic earnings per share (sen)	7.51	4.62	7.51	4.62

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
30 May 2018