

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	AS AT 30-JUNE-2018 (Unaudited) RM'000	AS AT 31-DEC-2017 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,297,242	2,410,844
Investment properties	501,434	525,510
Inventories	612,008	601,708
Intangible assets	302,503	315,179
Investment in associates	15,459	14,331
Investment in joint ventures	114,452	76,661
Investment in securities	167,888	210,500
Deferred tax assets	31,695	87,202
Receivables	16,105	17,026
	<u>4,058,786</u>	<u>4,258,961</u>
<b>Current assets</b>		
Contract costs	7,432	8,304
Investment in securities	814,603	926,540
Inventories	400,758	786,808
Contract assets	10,034	4,204
Receivables	669,153	643,153
Derivatives	5,748	894
Tax recoverable	63,457	45,334
Other investment	-	3,056
Cash and cash equivalents	1,173,285	917,663
	<u>3,144,470</u>	<u>3,335,956</u>
<b>TOTAL ASSETS</b>	<b><u>7,203,256</u></b>	<b><u>7,594,917</u></b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,775,118	1,775,118
Reserves	886,308	708,019
<b>Total equity attributable to owners of the Company</b>	<u>2,661,426</u>	<u>2,483,137</u>
<b>Non-controlling interests</b>	<u>1,270,013</u>	<u>1,211,825</u>
<b>TOTAL EQUITY</b>	<u>3,931,439</u>	<u>3,694,962</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	226,204	227,531
Borrowings	398,325	363,691
Payables	-	7,468
	<u>624,529</u>	<u>598,690</u>
<b>Current liabilities</b>		
Borrowings	1,907,901	2,701,788
Payables	654,004	557,013
Contract liabilities	4,411	4,026
Current tax liabilities	43,853	31,403
Derivatives	37,119	7,035
	<u>2,647,288</u>	<u>3,301,265</u>
<b>TOTAL LIABILITIES</b>	<u>3,271,817</u>	<u>3,899,955</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>7,203,256</u></b>	<b><u>7,594,917</u></b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.55</u>	<u>1.45</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 2017 and the accompanying notes to the quarterly report attached hereto.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-JUNE-2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUNE-2017 (Restated) RM'000	CURRENT YEAR TO DATE 30-JUNE-2018 RM'000	PRECEDING YEAR TO DATE 30-JUNE-2017 (Restated) RM'000
<b>Revenue*</b>	232,282	255,710	1,282,640	512,238
Other income	105,655	54,640	105,086	89,688
Other expenses	(219,133)	(215,536)	(946,557)	(382,603)
<b>Operating profit</b>	<u>118,804</u>	<u>94,814</u>	<u>441,169</u>	<u>219,323</u>
Finance income	4,368	3,211	8,512	6,160
Finance costs	(19,638)	(21,564)	(38,667)	(42,493)
Share of results in associates, net of tax	(109)	(107)	(192)	(129)
Share of results in joint venture, net of tax	5	-	13,524	-
<b>Profit before tax</b>	<u>103,430</u>	<u>76,354</u>	<u>424,346</u>	<u>182,861</u>
Income tax	(2,145)	(3,202)	(103,224)	(7,360)
<b>Profit for the financial period/year</b>	<u>101,285</u>	<u>73,152</u>	<u>321,122</u>	<u>175,501</u>
Profit attributable to:				
Owners of the Company	97,947	64,716	226,555	143,890
Non-controlling interests	3,338	8,436	94,567	31,611
	<u>101,285</u>	<u>73,152</u>	<u>321,122</u>	<u>175,501</u>
Earnings per share attributable to owners of the Company				
Basic (sen)	5.72	3.78	13.23	8.41
Fully diluted (sen)	5.72	3.78	13.23	8.41

\* Included in the current year to date Revenue 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, a 60.17% owned subsidiary of the Company.
- (ii) The compensation sum of RM32 million which was received on 22 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., 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.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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
	30-JUNE-2018	30-JUNE-2017	30-JUNE-2018	30-JUNE-2017
	RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
<b>Profit for the financial period</b>	101,285	73,152	321,122	175,501
<b>Other comprehensive (loss)/income, net of tax:</b>				
<b>Items that will be reclassified subsequently to profit or loss:</b>				
Net gain/(loss) on foreign currency translation differences	30,352	(57,846)	(77,820)	(21,321)
Available-for-sale financial assets				
- Net fair value loss	-	(2,314)	-	(2,237)
- Reclassification to profit or loss	-	1,876	-	2,337
- Income tax effect	-	(73)	-	(314)
Debt investments at FVOCI				
- Net fair value loss	(2,322)	-	(4,431)	-
- Reclassification to profit or loss	(678)	-	(678)	-
<b>Other comprehensive (loss)/income for the period, net of tax</b>	27,352	(58,357)	(82,929)	(21,535)
<b>Total comprehensive income for the financial period</b>	128,637	14,795	238,193	153,966
Total comprehensive income attributable to:				
Owners of the Company	122,224	26,431	179,733	123,796
Non-controlling interests	6,413	(11,636)	58,460	30,170
	128,637	14,795	238,193	153,966

**Note:**

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

**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.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

	----- Attributable to equity holders of the Company -----						----- Distributable -----		Non-controlling interests RM'000	Total equity RM'000
	----- Non-distributable -----			----- Distributable -----			Retained earnings RM'000	Total RM'000		
	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				
<b>At 1 January 2017</b>	1,711,910	63,208	10,300	8,962	-	447,037	144,418	2,385,835	1,202,101	3,587,936
<b>Total comprehensive income for the financial period</b>										
- Profit for the financial period	-	-	-	-	-	-	143,890	143,890	31,611	175,501
- Other comprehensive income	-	-	-	388	-	(20,483)	-	(20,095)	(1,440)	(21,535)
	-	-	-	388	-	(20,483)	143,890	123,795	30,171	153,966
<b>Contributions by and distributions to owners of the Company</b>										
Distribution equalisation in unit trust fund	-	-	-	-	-	-	(276)	(276)	-	(276)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(212)	(212)
<b>Total transaction with owners of the Company</b>	-	-	-	-	-	-	(276)	(276)	(212)	(488)
Transfer in accordance with Section 618(2) of the Companies Act 2016	63,208	(63,208)	-	-	-	-	-	-	-	-
<b>At 30 June 2017 (unaudited)</b>	<b>1,775,118</b>	<b>-</b>	<b>10,300</b>	<b>9,350</b>	<b>-</b>	<b>426,554</b>	<b>288,032</b>	<b>2,509,354</b>	<b>1,232,060</b>	<b>3,741,414</b>
<b>At 1 January 2018 (as previously stated)</b>	<b>1,775,118</b>	<b>-</b>	<b>10,300</b>	<b>7,384</b>	<b>-</b>	<b>360,399</b>	<b>329,936</b>	<b>2,483,137</b>	<b>1,211,825</b>	<b>3,694,962</b>
Effects of MFRS 9	-	-	-	(7,384)	3,728	-	2,043	(1,613)	(1,072)	(2,685)
<b>At 1 January 2018 (as restated)</b>	<b>1,775,118</b>	<b>-</b>	<b>10,300</b>	<b>-</b>	<b>3,728</b>	<b>360,399</b>	<b>331,979</b>	<b>2,481,524</b>	<b>1,210,753</b>	<b>3,692,277</b>
<b>Total comprehensive income for the financial period</b>										
- Profit for the financial period	-	-	-	-	-	-	226,555	226,555	94,567	321,122
- Other comprehensive loss	-	-	-	-	(2,232)	(44,590)	-	(46,822)	(36,107)	(82,929)
	-	-	-	-	(2,232)	(44,590)	226,555	179,733	58,460	238,193
<b>Contributions by and distributions to owners of the Company</b>										
Distribution equalisation in unit trust fund	-	-	-	-	-	-	169	169	-	169
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(212)	(212)
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	1,012	1,012
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169</b>	<b>169</b>	<b>800</b>	<b>969</b>
<b>At 30 June 2018 (unaudited)</b>	<b>1,775,118</b>	<b>-</b>	<b>10,300</b>	<b>-</b>	<b>1,496</b>	<b>315,809</b>	<b>558,703</b>	<b>2,661,426</b>	<b>1,270,013</b>	<b>3,931,439</b>

**Notes:**

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.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**  
 (The figures have not been audited)

	6 MONTHS ENDED	
	30-JUN-2018	30-JUN-2017 (Restated)
	RM'000	RM'000
<b>Operating Activities</b>		
Profit before tax	424,346	182,861
Adjustments for:		
Non-cash items	82,262	56,852
Non-operating items	(389,514)	(46,598)
Interest income	(39,321)	(29,953)
Operating profit before changes in working capital	<u>77,773</u>	<u>163,162</u>
Net decrease/(increase) in assets	793,632	(271,094)
Net (decrease)/increase in liabilities	<u>(92,695)</u>	<u>158,607</u>
Cash generated from operations	778,710	50,675
Interest received	5,936	2,788
Taxes paid	(54,459)	(33,392)
Net cash generated from operating activities	<u>730,187</u>	<u>20,071</u>
<b>Investing Activities</b>		
Interest received, net	41,897	33,325
Dividend received	1,317	2,647
Distribution from joint ventures	-	164,410
Development costs on land held for development	(10,300)	(36,599)
Purchase of property, plant and equipment	(15,007)	(349,011)
Purchase of intangible assets	(88)	-
Additional investment in associated company	(1,320)	-
Proceeds from disposal of property, plant and equipment	71	57
Proceeds from disposal of investment properties	69,843	-
Purchase of investment properties	(2,763)	(1,810)
Purchase of investment securities	(1,147,893)	(770,495)
Proceeds from settlement of derivatives	12,459	20,834
Proceeds from disposal/redemption of investment securities	1,334,038	803,246
(Increase)/decrease in pledged deposits for investing facilities	(86,112)	96,908
Other receipts/(payments)	-	(54)
Net cash generated from/(used in) investing activities	<u>196,142</u>	<u>(36,542)</u>
<b>Financing Activities</b>		
Interest paid	(37,138)	(42,493)
Net (repayment)/drawdown of borrowings	(711,729)	122,932
Net cash (used in)/generated from financing activities	<u>(748,867)</u>	<u>80,439</u>
Net increase in cash and cash equivalents during the period	177,462	63,968
Cash and cash equivalents at beginning of year		
As previously reported	266,636	307,761
Effects of exchange rate changes	(7,230)	(14,478)
As restated	259,406	293,283
Cash and cash equivalents at end of current period	<u>436,868</u>	<u>357,251</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	1,173,285	1,053,689
Less:		
Remisiers' monies	(24,949)	(25,367)
Cash pledged for bank facilities	(711,468)	(671,071)
	<u>436,868</u>	<u>357,251</u>

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**
**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.

	<b>Effective for financial periods beginning on or after</b>
MFRS 9 <i>Financial Instruments</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 2 <i>Share-based Payment – Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 4 <i>Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i>	1 January 2018
Amendments to MFRS 140 <i>Investment Property – Transfers of Investment Property</i>	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	
<b>AFS Reserve</b>	
Classification impact under MFRS 9	(7,384)
<b>Impact at 1 January 2018</b>	<b>(7,384)</b>
<b>FVOCI Reserve</b>	
Classification impact under MFRS 9	4,470
Recognition of expected credit losses under MFRS 9	(742)
<b>Impact at 1 January 2018</b>	<b>3,728</b>
<b>Retained earnings</b>	
Classification impact under MFRS 9	5,437
Recognition of expected credit losses under MFRS 9	(3,394)
<b>Impact at 1 January 2018</b>	<b>2,043</b>
<b>Non-controlling interest</b>	
Recognition of expected credit losses under MFRS 9	(1,072)
<b>Impact at 1 January 2018</b>	<b>(1,072)</b>

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.



## A2 Changes in Accounting Policies (continued)

### 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)

### MFERS 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
<b>Non-current financial assets</b>					
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
<b>Current financial assets</b>					
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 MFERS 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 MFERS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike MFERS 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 MFERS 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 MFERS 9. On transition to MFERS 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 MFERS 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 MFERS 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	
<b>Loss allowance at 31 December 2017 under MFRS 139</b>	159,676
Additional impairment recognised at 1 January 2018 on:	
Financial receivables	491
Trade and other receivables	2,597
Cash and cash equivalents	636
<b>Loss allowance at 1 January 2018 under MFRS 9</b>	<b>163,400</b>

### (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
<b>Revenue</b>								
External revenue	70,173	78,377	5,273	28,156	780,810	319,851	-	1,282,640
Inter-segment revenue	83	68,219	950	4,873	-	-	(74,125)	-
<b>Total revenue</b>	<b>70,256</b>	<b>146,596</b>	<b>6,223</b>	<b>33,029</b>	<b>780,810</b>	<b>319,851</b>	<b>(74,125)</b>	<b>1,282,640</b>
<b>Results</b>								
Net segment results	13,115	8,885	5,744	65,669	339,168	55,643	-	488,224
Foreign exchange gain/(loss)	344	(42,723)	(8,398)	22	647	9,289	-	(40,819)
<b>Operating profit/(loss)</b>	<b>13,459</b>	<b>(33,838)</b>	<b>(2,654)</b>	<b>65,691</b>	<b>339,815</b>	<b>64,932</b>	<b>-</b>	<b>447,405</b>
Finance income	3,457	3,649	51	256	891	208	-	8,512
Finance costs	(589)	(19,325)	(1,514)	(7,473)	(2,221)	(7,545)	-	(38,667)
Share of results of associates	-	-	-	(192)	-	-	-	(192)
Share of results of joint venture	-	-	-	-	13,524	-	-	13,524
Segment profit/(loss)	16,327	(49,514)	(4,117)	58,282	352,009	57,595	-	430,582
Unallocated corporate expenses								(6,236)
<b>Profit before tax</b>								<b>424,346</b>
Income tax								(103,224)
<b>Profit for the financial period</b>								<b>321,122</b>
<b>Profit attributable to:</b>								
Equity holders of the Company								226,555
Non-controlling interests								94,567
								<b>321,122</b>

## 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).

For 6 months ended 30 June <i>In RM'000</i>	Reportable segments												Consolidated			
	Broking and financial services		Investment holding		Credit and lending		Property investment		Property development		Hotel operations				Others	
	2018	2017 *	2018	2017 *	2018	2017*	2018	2017 *	2018	2017 *	2018	2017 *	2018	2017 *		
<b>Primary geographical markets</b>																
Malaysia	70,173	88,410	553	952	5,273	4,839	8,597	11,263	40,077	1,067	223	-	600	681	125,496	107,212
Australia	-	-	-	-	-	-	-	-	740,733	-	112,963	129,271	-	-	853,696	129,271
Canada	-	-	-	-	-	-	18,977	14,463	-	-	61,482	54,910	-	-	80,459	69,373
British Virgin Island	-	-	77,224	63,854	-	-	-	-	-	-	-	-	-	-	77,224	63,854
Singapore	-	-	-	-	-	-	-	-	-	-	82,719	80,321	-	-	82,719	80,321
China	-	-	-	-	-	-	-	-	-	-	18,943	18,878	-	-	18,943	18,878
Thailand	-	-	-	-	-	-	-	-	-	-	43,521	42,560	-	-	43,521	42,560
Hong Kong	-	-	-	-	-	-	582	769	-	-	-	-	-	-	582	769
	<b>70,173</b>	<b>88,410</b>	<b>77,777</b>	<b>64,806</b>	<b>5,273</b>	<b>4,839</b>	<b>28,156</b>	<b>26,495</b>	<b>780,810</b>	<b>1,067</b>	<b>319,851</b>	<b>325,940</b>	<b>600</b>	<b>681</b>	<b>1,282,640</b>	<b>512,238</b>
<b>Major products/service lines</b>																
Hotel room rental and related revenue	-	-	-	-	-	-	-	-	-	-	319,851	325,940	-	-	319,851	325,940
Gross brokerage fee	32,143	39,857	-	-	-	-	-	-	-	-	-	-	-	-	32,143	39,857
Service and administration charges	8,706	8,308	-	-	48	829	-	-	-	-	-	-	-	-	8,754	9,137
Underwriting commission and placement fees	5,093	4,495	-	-	-	-	-	-	-	-	-	-	-	-	5,093	4,495
Sale of food and beverage	-	-	-	-	-	-	-	-	-	-	-	-	409	579	409	579
Nominee service fees	7	7	-	-	-	-	-	-	-	-	-	-	-	-	7	7
Profit from sale of trust units to unit holders	9,914	22,454	-	-	-	-	-	-	-	-	-	-	-	-	9,914	22,454
Manager's fee earned on Unit trust funds	9,208	6,754	-	-	-	-	-	-	-	-	-	-	-	-	9,208	6,754
Portfolio management fees earned on private mandates	160	386	-	-	-	-	-	-	-	-	-	-	-	-	160	386
Derivative trading income	3,226	4,357	-	-	-	-	-	-	-	-	-	-	-	-	3,226	4,357
Rollover fees	1,138	1,072	-	-	830	608	-	-	-	-	-	-	-	-	1,968	1,680
Management fees	-	-	483	860	-	-	812	247	-	-	-	-	-	-	1,295	1,107
Sales of properties	-	-	-	-	-	-	-	-	779,685	-	-	-	-	-	779,685	-
Sales of construction materials	-	-	-	-	-	-	-	-	-	-	-	-	6	88	6	88
Rental income	86	111	-	-	-	-	27,344	26,248	1,125	1,067	-	-	185	14	28,740	27,440
Interest income	-	105	76,000	61,071	4,395	3,402	-	-	-	-	-	-	-	-	80,395	64,578
Gross dividends	281	427	1,294	2,875	-	-	-	-	-	-	-	-	-	-	1,575	3,302
Gain on disposal of other investments	211	77	-	-	-	-	-	-	-	-	-	-	-	-	211	77
	<b>70,173</b>	<b>88,410</b>	<b>77,777</b>	<b>64,806</b>	<b>5,273</b>	<b>4,839</b>	<b>28,156</b>	<b>26,495</b>	<b>780,810</b>	<b>1,067</b>	<b>319,851</b>	<b>325,940</b>	<b>600</b>	<b>681</b>	<b>1,282,640</b>	<b>512,238</b>

\* 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.

### **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 30 June 2018 were as follow:

	<b>RM'000</b>
Approved and contracted for:-	
- Property, plant and equipment	4,623
- Development expenditure	114,842
	<u>119,465</u>
	<u><u>119,465</u></u>

**B1 Performance Analysis of the Group's Operating Segments**

	CURRENT YEAR QUARTER 30 JUNE 2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 JUNE 2017 RM'000 (Restated)
Revenue	232,282	255,710
Other income		
- Gain on disposal of investment securities	3,060	7,822
- Gain on disposal of investment properties	54,035	-
- Realised fair value gain on investment securities	2,149	37,577
- Unrealised fair value gain on investment securities	36,588	-
- Realised fair value gain on derivatives	5,159	7,109
- Unrealised fair value gain on derivatives	-	1,757
- Others	4,664	375
	105,655	54,640
Other expenses		
- Amortisation and depreciation	(25,640)	(28,476)
- Cost of properties and construction materials sold	3,193	8,590
- Remisiers', agents' and futures brokers' commissions	(10,147)	(21,026)
- Hotel operational and personnel cost	(109,626)	(115,765)
- Personnel cost and others	(44,007)	(51,959)
- Property, plant and equipment written off	-	(2)
- Loss on disposal of property, plant and equipment	(45)	-
- Unrealised fair value loss on derivatives	(16,692)	-
- Unrealised fair value loss on investment securities	-	(13,758)
- (Impairment loss) /Reversal of impairment loss on receivables	(146)	746
- Foreign exchange (loss)/gain	(16,023)	6,114
	(219,133)	(215,536)
Finance income	4,368	3,211
Finance costs	(19,638)	(21,564)
Share of results in associates	(109)	(107)
Share of results in joint venture	5	-
Profit before tax	103,430	76,354



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

The Group reported revenue of RM232.3 million and profit before tax of RM103.4 million for the current year's second quarter, compared to revenue of RM255.7 million and profit before tax of RM76.4 million reported in the previous year's corresponding quarter.

For the current period-to-date, the Group achieved revenue of RM1,282.6 million and profit before tax of RM424.3 million, as compared to revenue of RM512.2 million and profit before tax of RM182.9 million in the previous corresponding period.

The increase in the current quarter and period-to-date profit before tax as compared to the preceding year's corresponding period was mainly attributable to contribution from property investment and property development.

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 RM10.0 mil in the previous year's second quarter to RM7.2 mil in the current year's second quarter.

For the current period-to-date, this division reported profit before tax of RM16.3 million, as compared to profit before tax of RM20.4 million in the preceding year's period-to-date.

The decrease in both the current quarter and period-to-date results was mainly due to the decrease in brokerage income and sale of trust units.

### ***Investment holding and others***

Investment holding and others division reported profit before tax of RM52.5 million in the current year's second quarter, as compared to profit before tax of RM45.4 million in the previous year's corresponding quarter.

This increase in profit before tax are mainly due to higher investment interest income, fair value gain on investment securities and foreign exchange gain on translation of USD and CAD denominated balances.

For the current period-to-date, this division reported loss before tax of RM49.5 million, as compared to profit before tax of RM112.1 million in the preceding year's period-to-date.

Despite the higher investment interest income, the results dropped mainly due to unrealised fair value losses on investment in securities and derivatives as well as net foreign exchange loss resulted from translation of AUD and CAD denominated balances.

### ***Credit and lending***

For the current year's second quarter, credit and lending division contributed RM5.0 million profit before tax to the Group, as compared to profit before tax of RM3.9 million in the previous year's corresponding quarter. Higher profit was mainly due to foreign exchange gain on translation of CAD denominated balances.

For the current period-to-date, this division reported loss before tax of RM4.1 million, as compared to profit before tax of RM4.4 million in the preceding year's period-to-date. Loss before tax was mainly attributable to the foreign exchange loss resulted from translation of CAD denominated balances.

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

### ***Property investment***

Property investment division reported profit before tax of RM55.1 million in the current year's second quarter, as compared to profit before tax of RM1.0 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported profit before tax of RM58.3 million, as compared to profit before tax of RM1.2 million in the preceding year's period-to-date.

The increase in both the quarter and period-to-date results was mainly due to the disposal of an investment property in Hong Kong.

### ***Property development***

Property development division reported loss before tax of RM6.1 million in the current year's second quarter, as compared to loss before tax of RM0.8 million in previous year's corresponding quarter. The increase in loss before tax was mainly due to the absence of profit recognition on development project in Australia.

For the current period-to-date, this division reported profit before tax of RM352.0 million, as compared to loss before tax of RM5.0 million in the preceding year's period-to-date.

Profit before tax was mainly attributable to the gain on disposal of development property located in Little Bay, Australia and the compensation income resulted from 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 RM15.4 million in the current year's second quarter, as compared to RM7.3 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported net operating profit of RM48.3 million, as compared to net operating profit of RM35.9 million in the preceding year's period-to-date.

The increase in current quarter and period to date net operating profit was mainly due to lower hotel operation cost.

However, profit before tax of hotel operations division of the current quarter and period to date was partially dragged down by lower foreign exchange gain of the current quarter, and higher foreign exchange loss of the current period to date, resulted from the depreciation of THB against USD.

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

The Group reported profit before tax of RM103.4 million in the current year's second quarter as compared to profit before tax of RM320.9 million in the preceding quarter.

Despite lower foreign exchange loss and higher fair value gain on investment securities, profit before tax in the current year's second quarter was lower due to lower contribution from property development division.

### **B3 Prospects for the current financial year**

With the conclusion of the Malaysian 14<sup>th</sup> General Election in May 2018, the general prospect of most business sectors in Malaysia is expected to be more upbeat and positive. With the revised growth rate of 5.0% 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%. However, the recent threat of an impending trade war between United States & China may derail the global growth.

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. In the recent years, 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 will focus on selling our existing local property development launched i.e. Ativo Suites at Damansara Avenue.

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:

	<b>CURRENT QUARTER RM'000</b>	<b>YEAR TO DATE RM'000</b>
<b>Current tax expense</b>		
Malaysian - current year	255	10,958
- prior year	-	12
Foreign - current year	4,616	42,235
- prior year	(1,796)	(1,796)
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(2,035)	51,180
Over provision in prior year	1,105	635
	2,145	103,224

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 lower than the Malaysian statutory tax rate mainly due to non-taxable income from capital gain and recognition of deferred tax assets.

## 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 August 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 August 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	133,232	15,849	Within 17 months
Repayment of bank borrowings	583,362	583,362	-	Utilised
Estimated tax expenses in relation to the disposal	45,373	-	45,373	Within 5 months
Estimated expenses in relation to the disposal	16,205	16,205	-	Utilised
<b>Total</b>	<b>794,021</b>	<b>732,799</b>	<b>61,222</b>	

## B6 Corporate Proposals (continued)

### Utilisation of sale proceeds (continued)

As at 23 August 2018, the status of the utilisation of sale proceeds from the disposal of investment property located in Tower One Lippo Centre, Hong Kong, which was completed on 22 June 2018 is as follows:

Utilisation purposes	Proposed utilisation as set out in the circular dated 6 April 2018	Actual utilisation as at 23 August 2018	Proposed utilisation of the remaining disposal consideration	
	Amount RM'000	Amount RM'000	Amount RM'000	Intended timeframe for utilisation
Repayment of bank borrowings	62,771	57,153	5,618	Within 4 months
Estimated expenses in relation to the disposal	4,712	1,179	3,533	Within 10 months
<b>Total</b>	<b>67,483</b>	<b>58,331</b>	<b>9,152</b>	

## B7 Group Borrowings and Debt Securities

Total Group borrowings as at 30 June 2018 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<b><u>Long term borrowings</u></b>			
Term loans	334,325	-	334,325
Revolving credits	64,000	-	64,000
	<u>398,325</u>	<u>-</u>	<u>398,325</u>
<b><u>Short term borrowings</u></b>			
Overdrafts	653	-	653
Revolving credits	279,150	224,000	503,150
Other short-term loans	1,404,098	-	1,404,098
	<u>1,683,901</u>	<u>224,000</u>	<u>1,907,901</u>
Total borrowings	<u>2,082,226</u>	<u>224,000</u>	<u>2,306,226</u>

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")	120,000	519,150	639,150
Canadian Dollar ("CAD")	278,325	188,902	467,227
Singapore Dollar ("SGD")	-	492,779	492,779
Australian Dollar ("AUD")	-	47,283	47,283
United States Dollar ("USD")	-	602,818	602,818
Hong Kong Dollar ("HKD")	-	330	330
Euro ("EUR")	-	43,336	43,336
Great Britain Pound ("GBP")	-	13,303	13,303
Total borrowings	<u>398,325</u>	<u>1,907,901</u>	<u>2,306,226</u>

## 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.

30 June 2018 <i>In RM'000</i>	Carrying amount						Fair value			
	Mandatorily at FVTPL	FVOCI - equity instrument	FVOCI - debt instrument	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>										
Investment in quoted shares	114,148	-	-	-	-	114,148	114,148	-	-	114,148
Investment in unquoted bonds	-	-	167,398	-	-	167,398	-	167,398	-	167,398
Investment in quoted unit trusts	21,778	-	-	-	-	21,778	-	21,778	-	21,778
Investment in unquoted securities	678,678	-	-	-	-	678,678	-	-	678,678	678,678
Derivatives	5,748	-	-	-	-	5,748	-	5,748	-	5,748
	<b>820,352</b>	<b>-</b>	<b>167,398</b>	<b>-</b>	<b>-</b>	<b>987,750</b>	<b>114,148</b>	<b>194,924</b>	<b>678,678</b>	<b>987,750</b>
<b>Financial assets not measured at fair value</b>										
Investment in unquoted shares	-	490	-	-	-	490	-	-	-	-
Financial receivables	-	-	-	84,728	-	84,728	-	-	-	-
Trade receivables and other receivables **	-	-	-	562,093	-	562,093	-	-	-	-
Cash and cash equivalents	-	-	-	1,173,285	-	1,173,285	-	-	-	-
Contract assets	-	-	-	10,034	-	10,034	-	-	-	-
Other investment	-	-	-	-	-	-	-	-	-	-
	<b>-</b>	<b>490</b>	<b>-</b>	<b>1,830,140</b>	<b>-</b>	<b>1,830,630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities measured at fair value</b>										
Derivatives	37,119	-	-	-	-	37,119	-	37,119	-	37,119
	<b>37,119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,119</b>	<b>-</b>	<b>37,119</b>	<b>-</b>	<b>37,119</b>
<b>Financial liabilities not measured at fair value</b>										
Trade payables and other payables **	-	-	-	-	602,936	602,936	-	-	-	-
Borrowings	-	-	-	-	1,907,901	1,907,901	-	-	-	-
Contract liabilities	-	-	-	-	4,411	4,411	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,515,248</b>	<b>2,515,248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*\* 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 * <i>In RM'000</i>	Carrying amount					Total	Fair value			
	Designated as at FVTPL	Held for trading	Available for sale	Loans and receivables	Financial liabilities at amortised cost		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>										
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
	<b>324,301</b>	<b>603,133</b>	<b>210,010</b>	<b>-</b>	<b>-</b>	<b>1,137,444</b>	<b>322,696</b>	<b>212,509</b>	<b>602,239</b>	<b>1,137,444</b>
<b>Financial assets not measured at fair value</b>										
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	-	-	-	-
<b>Financial liabilities measured at fair value</b>										
Derivatives	7,035	-	-	-	-	7,035	-	7,035	-	7,035
	<b>7,035</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,035</b>	<b>-</b>	<b>7,035</b>	<b>-</b>	<b>7,035</b>
<b>Financial liabilities not measured at fair value</b>										
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 30 June 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 forwards, geared equity accumulators, decumulators and stock options)

The fair values of forward exchange contracts are estimated by incorporating various inputs including the credit quality of counterparties, and foreign exchange spot and forward rates.

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 30 June 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.

<i>In RM'000</i>	<b>Unquoted securities</b>
Balance at 1 January 2017	679,586
Purchases	545,963
Disposal	(541,595)
Fair value gains and losses recognised in profit or loss	
- Unrealised	4,299
- Realised	43,424
Gains and losses recognised in other comprehensive income	
- Exchange translation reserve	(30,183)
<b>Balance at 30 June 2017</b>	<b>701,494</b>
Balance at 1 January 2018	602,239
Purchases	966,435
Disposal	(846,205)
Fair value gains and losses recognised in profit or loss	
- Unrealised	(34,608)
- Realised	(9,642)
Gains and losses recognised in other comprehensive income	
- Exchange translation reserve	459
<b>Balance at 30 June 2018</b>	<b>678,678</b>

#### (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 August 2018, there were no changes in material litigation since the last financial year ended 31 December 2017.

## B10 Dividend

Apart from the final single-tier dividend of 4.1 sen per ordinary share in respect of the financial year ended 31 December 2017 which was approved by shareholders during the Annual General Meeting on 27 June 2018, there was no further dividend declared as at the date of this announcement. The approved dividend amounted to RM70,188,288 was subsequently paid on 20 July 2018.

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, decumulators, options 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 techniques as stated in **B8(ii)(a)(ii)**. 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.

<b>Types of derivatives/Maturity</b>	<b>Contract/Notional value RM'000</b>	<b>Fair value asset RM'000</b>	<b>Fair value liability RM'000</b>
Geared Equity Accumulators -Less than 1 year	264,772	18,771	(26,418)
Geared Equity Decumulators -Less than 1 year	31,710	-	(9,020)
Geared Equity Options -Less than 1 year	79,397	-	(1,680)
Geared Equity Forwards -Less than 1 year	53,721	5,729	-

## 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
	<u>30-JUNE-2018</u>	<u>30-JUNE-2017</u> (Restated)	<u>30-JUNE-2018</u>	<u>30-JUNE-2017</u> (Restated)
<b>Basic earnings per share</b>				
Profit for the period - attributable to owners of the Company (RM'000)	97,947	64,716	226,555	143,890
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)	<u>5.72</u>	<u>3.78</u>	<u>13.23</u>	<u>8.41</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  
30 August 2018