

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	AS AT 30-SEP-2018 (Unaudited) RM'000	AS AT 31-DEC-2017 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,296,813	2,410,844
Investment properties	505,884	525,510
Inventories	623,956	601,708
Intangible assets	305,257	315,179
Investment in associates	15,435	14,331
Investment in joint ventures	119,210	76,661
Investment in securities	171,287	210,500
Deferred tax assets	20,699	87,202
Receivables	16,761	17,026
	<u>4,075,302</u>	<u>4,258,961</u>
Current assets		
Contract costs	7,367	8,304
Investment in securities	993,066	926,540
Inventories	90,508	786,808
Contract assets	568	4,204
Receivables	767,679	643,153
Derivatives	7,951	894
Tax recoverable	53,089	45,334
Other investment	-	3,056
Cash and cash equivalents	1,500,239	917,663
	<u>3,420,467</u>	<u>3,335,956</u>
TOTAL ASSETS	<u>7,495,769</u>	<u>7,594,917</u>
EQUITY AND LIABILITIES		
Share capital	1,775,118	1,775,118
Reserves	859,641	708,019
Total equity attributable to owners of the Company	<u>2,634,759</u>	<u>2,483,137</u>
Non-controlling interests	<u>1,299,605</u>	<u>1,211,825</u>
TOTAL EQUITY	<u>3,934,364</u>	<u>3,694,962</u>
Non-current liabilities		
Deferred tax liabilities	221,834	227,531
Borrowings	402,939	363,691
Payables	-	7,468
	<u>624,773</u>	<u>598,690</u>
Current liabilities		
Borrowings	2,034,352	2,701,788
Payables	806,002	557,013
Contract liabilities	5,842	4,026
Current tax liabilities	65,673	31,403
Derivatives	24,763	7,035
	<u>2,936,632</u>	<u>3,301,265</u>
TOTAL LIABILITIES	<u>3,561,405</u>	<u>3,899,955</u>
TOTAL EQUITY AND LIABILITIES	<u>7,495,769</u>	<u>7,594,917</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.54</u>	<u>1.45</u>

Note:

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 SEPTEMBER 2018**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-SEP-2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-SEP-2017 (Restated) RM'000	CURRENT YEAR TO DATE 30-SEP-2018 RM'000	PRECEDING YEAR TO DATE 30-SEP-2017 (Restated) RM'000
Revenue*	681,348	279,252	1,963,988	791,490
Other income	26,518	29,285	121,605	117,402
Other expenses	(613,936)	(186,638)	(1,550,494)	(567,670)
Operating profit	<u>93,930</u>	<u>121,899</u>	<u>535,099</u>	<u>341,222</u>
Finance income	7,853	3,249	16,365	9,409
Finance costs	(20,075)	(22,273)	(58,742)	(64,766)
Share of results in associates, net of tax	(24)	(27)	(216)	(156)
Share of results in joint venture, net of tax	128	(3,263)	13,652	(3,263)
Profit before tax	<u>81,812</u>	<u>99,585</u>	<u>506,158</u>	<u>282,446</u>
Income tax	(40,966)	(1,283)	(144,190)	(8,642)
Profit for the financial period	<u>40,846</u>	<u>98,302</u>	<u>361,968</u>	<u>273,804</u>
Profit attributable to:				
Owners of the Company	14,339	72,770	240,894	216,661
Non-controlling interests	26,507	25,532	121,074	57,143
	<u>40,846</u>	<u>98,302</u>	<u>361,968</u>	<u>273,804</u>
Earnings per share attributable to owners of the Company				
Basic (sen)	0.84	4.25	14.07	12.66
Fully diluted (sen)	0.84	4.25	14.07	12.66

* 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 SEPTEMBER 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-SEP-2018	30-SEP-2017 (Restated)	30-SEP-2018	30-SEP-2017 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	40,846	98,302	361,968	273,804
Other comprehensive income/(loss), net of tax:				
Items that will be reclassified subsequently to profit or loss:				
Net gain/(loss) on foreign currency translation differences	47,491	(9,643)	(30,329)	(30,964)
Available-for-sale financial assets				
- Net fair value loss	-	1,215	-	(1,022)
- Reclassification to profit or loss	-	(48)	-	2,289
- Income tax effect	-	(357)	-	(671)
Debt investments at FVOCI				
- Net fair value loss	(703)	-	(5,134)	-
- Reclassification to profit or loss	-	-	(678)	-
Other comprehensive income/(loss) for the period, net of tax	46,788	(8,833)	(36,141)	(30,368)
Total comprehensive income for the financial period	87,634	89,469	325,827	243,436
Total comprehensive income attributable to:				
Owners of the Company	45,234	64,999	224,967	188,795
Non-controlling interests	42,400	24,470	100,860	54,641
	87,634	89,469	325,827	243,436

Notes:

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

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 SEPTEMBER 2018**

	Attributable to equity holders of the Company						Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	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				
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	-	-	-	-	-	-	216,661	216,661	57,143	273,804
- Other comprehensive loss	-	-	-	750	-	(28,616)	-	(27,866)	(2,502)	(30,368)
	-	-	-	750	-	(28,616)	216,661	188,795	54,641	243,436
Contributions by and distributions to owners of the Company										
Dividend to equity holders of the Company	-	-	-	-	-	-	(29,102)	(29,102)	-	(29,102)
Distribution equalisation in unit trust fund	-	-	-	-	-	-	32	32	-	32
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(8,776)	(8,776)
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	(331)	(331)
Total transaction with owners of the Company	-	-	-	-	-	-	(29,070)	(29,070)	(9,107)	(38,177)
Transfer in accordance with Section 618(2) of the Companies Act 2016	63,208	(63,208)	-	-	-	-	-	-	-	-
At 30 September 2017 (unaudited)	1,775,118	-	10,300	9,712	-	418,421	332,009	2,545,560	1,247,635	3,793,195
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	-	-	-	-	-	-	240,894	240,894	121,074	361,968
- Other comprehensive loss	-	-	-	-	(2,945)	(12,982)	-	(15,927)	(20,214)	(36,141)
	-	-	-	-	(2,945)	(12,982)	240,894	224,967	100,860	325,827
Contributions by and distributions to owners of the Company										
Dividend to equity holders of the Company	-	-	-	-	-	-	(70,188)	(70,188)	-	(70,188)
Distribution equalisation in unit trust fund	-	-	-	-	-	-	188	188	-	188
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(12,929)	(12,929)
Deregistration of a subsidiary	-	-	-	-	-	(1,732)	-	(1,732)	-	(1,732)
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	921	921
Total transactions with owners of the Company	-	-	-	-	-	(1,732)	(70,000)	(71,732)	(12,008)	(83,740)
At 30 September 2018 (unaudited)	1,775,118	-	10,300	-	783	345,685	502,873	2,634,759	1,299,605	3,934,364

Note:

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 SEPTEMBER 2018**
(The figures have not been audited)

	9 MONTHS ENDED	
	30-SEP-2018	30-SEP-2017
	RM'000	(Restated) RM'000
Operating Activities		
Profit before tax	506,158	282,446
Adjustments for:		
Non-cash items	158,927	100,738
Non-operating items	(449,077)	(62,145)
Interest income	(122,473)	(99,141)
Operating profit before changes in working capital	<u>93,535</u>	<u>221,898</u>
Net decrease/(increase) in assets	1,017,135	(359,348)
Net (decrease)/increase in liabilities	<u>203,309</u>	<u>136,838</u>
Cash generated from/(used in) operations	1,313,979	(612)
Interest received	9,117	7,903
Taxes paid	(56,547)	(36,056)
Net cash generated from/(used in) operating activities	<u>1,266,549</u>	<u>(28,765)</u>
Investing Activities		
Interest received, net	129,721	100,647
Dividend received	2,347	6,689
Distribution from joint ventures	-	166,450
Development costs on land held for development	(22,248)	(29,559)
Purchase of property, plant and equipment	(20,358)	(379,676)
Purchase of intangible assets	(280)	-
Additional investment in associated company	(1,320)	-
Proceeds from disposal of property, plant and equipment	246	226
Proceeds from disposal of investment properties	69,843	7,825
Purchase of investment properties	(2,864)	(2,158)
Purchase of investment securities	(1,720,962)	(1,204,243)
Proceeds from settlement of derivatives	12,000	34,464
Proceeds from disposal/redemption of investment securities	1,644,159	1,480,402
Decrease in pledged deposits for investing facilities	2,643	76,448
Other receipts/(payments)	-	(77)
Net cash generated from investing activities	<u>92,927</u>	<u>257,438</u>
Financing Activities		
Dividend paid to equity holders of the Company	(70,188)	(29,102)
Dividend paid to minority interest	(12,929)	(8,776)
Interest paid	(56,444)	(62,878)
Net repayment of borrowings	(630,484)	(96,524)
Net cash used in financing activities	<u>(770,045)</u>	<u>(197,280)</u>
Net increase in cash and cash equivalents during the period	589,431	31,393
Cash and cash equivalents at beginning of year		
As previously reported	266,636	307,761
Effects of exchange rate changes	(3,729)	(19,166)
As restated	262,907	288,595
Cash and cash equivalents at end of current period	<u>852,338</u>	<u>319,988</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	1,500,239	1,036,503
Less:		
Remisiers' monies	(25,188)	(24,985)
Cash pledged for bank facilities	(622,713)	(691,530)
	<u>852,338</u>	<u>319,988</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.

	Effective for financial periods beginning on or after
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	
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.

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)

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 stock exchanges, 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, except as disclosed in page 2 of the Condensed Consolidated Statements of Profit or Loss.

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

A final single-tier dividend of 4.1 sen per ordinary share in respect of the financial year ended 31 December 2017, amounted to RM70,188,288 was paid on 20 July 2018.

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	100,832	120,097	7,159	41,184	1,219,817	474,899	-	1,963,988
Inter-segment revenue	13	55,750	950	6,374	-	-	(63,087)	-
Total revenue	100,845	175,847	8,109	47,558	1,219,817	474,899	(63,087)	1,963,988
Results								
Net segment results	17,838	(3,808)	7,499	70,214	432,374	61,576	-	585,693
Foreign exchange gain/(loss)	629	(36,985)	(9,699)	(168)	665	4,039	-	(41,519)
Operating profit/(loss)	18,467	(40,793)	(2,200)	70,046	433,039	65,615	-	544,174
Finance income	5,214	5,868	114	340	3,824	1,005	-	16,365
Finance costs	(511)	(28,262)	(2,034)	(11,084)	(3,216)	(13,635)	-	(58,742)
Share of results of associates	-	-	-	(216)	-	-	-	(216)
Share of results of joint venture	-	-	-	-	13,652	-	-	13,652
Segment profit/(loss)	23,170	(63,187)	(4,120)	59,086	447,299	52,985	-	515,233
Unallocated corporate expenses								(9,075)
Profit before tax								506,158
Income tax								(144,190)
Profit for the financial period								361,968
Profit attributable to:								
Equity holders of the Company								240,894
Non-controlling interests								121,074
								361,968

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 9 months ended 30 September In RM'000	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 *	2018	2017 *
Primary geographical markets																
Malaysia	100,832	136,881	1,027	1,914	7,159	8,040	12,721	15,938	47,401	1,650	480	-	937	942	170,557	165,365
Australia	-	-	37	-	-	-	-	-	1,172,416	-	160,231	192,732	-	-	1,332,684	192,732
Canada	-	-	-	-	-	-	27,873	24,055	-	-	101,032	96,063	-	-	128,905	120,118
British Virgin Island	-	-	118,096	99,899	-	-	-	-	-	-	-	-	-	-	118,096	99,899
Singapore	-	-	-	-	-	-	-	-	-	-	126,848	124,880	-	-	126,848	124,880
China	-	-	-	-	-	-	-	-	-	-	29,360	28,027	-	-	29,360	28,027
Thailand	-	-	-	-	-	-	-	-	-	-	56,948	59,326	-	-	56,948	59,326
Hong Kong	-	-	-	-	-	-	590	1,143	-	-	-	-	-	-	590	1,143
	100,832	136,881	119,160	101,813	7,159	8,040	41,184	41,136	1,219,817	1,650	474,899	501,028	937	942	1,963,988	791,490
Major products/service lines																
Hotel room rental and related revenue	-	-	-	-	-	-	-	-	-	-	474,899	501,028	-	-	474,899	501,028
Gross brokerage fee	45,298	54,631	-	-	-	-	-	-	-	-	-	-	-	-	45,298	54,631
Service and administration charges	12,868	12,621	-	-	64	896	-	-	-	-	-	-	-	-	12,932	13,517
Underwriting commission and placement fees	7,515	8,361	-	-	-	-	-	-	-	-	-	-	-	-	7,515	8,361
Sale of food and beverage	-	-	-	-	-	-	-	-	-	-	-	-	661	921	661	921
Nominee service fees	78	67	-	-	-	-	-	-	-	-	-	-	-	-	78	67
Profit from sale of trust units to unit holders	14,990	39,730	-	-	-	-	-	-	-	-	-	-	-	-	14,990	39,730
Manager's fee earned on Unit trust funds	12,997	12,082	-	-	-	-	-	-	-	-	-	-	-	-	12,997	12,082
Portfolio management fees earned on private mandates	195	164	-	-	-	-	-	-	-	-	-	-	-	-	195	164
Derivative trading income	4,534	6,593	-	-	-	-	-	-	-	-	-	-	-	-	4,534	6,593
Rollover fees	1,591	1,445	-	-	830	675	-	-	-	-	-	-	-	-	2,421	2,120
Acceptance fees	-	-	-	-	-	520	-	-	-	-	-	-	-	-	-	520
Management fees	-	-	455	1,333	-	-	1,248	376	-	-	-	-	-	-	1,703	1,709
Sales of properties	-	-	-	-	-	-	-	-	1,218,144	-	-	-	-	-	1,218,144	-
Sales of construction materials	-	-	-	-	-	-	-	-	-	-	-	-	7	-	7	-
Rental income	128	163	270	270	-	-	39,936	40,760	1,673	1,650	-	-	269	21	42,276	42,864
Interest income	-	122	116,246	93,068	6,227	5,949	-	-	-	-	-	-	-	-	122,473	99,139
Gross dividends	441	627	2,189	7,142	38	-	-	-	-	-	-	-	-	-	2,668	7,769
Gain on disposal of other investments	197	275	-	-	-	-	-	-	-	-	-	-	-	-	197	275
	100,832	136,881	119,160	101,813	7,159	8,040	41,184	41,136	1,219,817	1,650	474,899	501,028	937	942	1,963,988	791,490

* 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)**.

A11 Subsequent Events

There were no material events subsequent to the end of the current financial period.

A12 Changes in the Composition of the Group

Deregistration of TA International Investment Limited

On 25 May 2018, TA International Investment Limited, a wholly-owned subsidiary of Company, has been deregistered pursuant to Section 751 of the Companies Ordinance of Hong Kong.

The deregistration of the above subsidiary does not have significant financial and operational effect to the Group, other than the release of translation reserve upon deregistration amounted to gain of RM1,731,541.

Incorporation of foreign subsidiary - TA Wealth Investment Limited

On 5 October 2018, TA Wealth Investment Limited was incorporated under the BVI Business Companies Act, 2004 in the Province of British Virgin Islands under the BVI company number of 1994255.

The principal activity of TA Wealth Investment Limited is investment in securities. The shareholder of TA Wealth Investment Limited is Total Ingenious Sdn. Bhd., a wholly-owned subsidiary of the Company. The current issued and paid-up capital of TA Wealth Investment Limited is US\$2.00 divided into two (2) ordinary shares of US\$1.00 each issued to Total Ingenious Sdn. Bhd..

Incorporation of foreign subsidiary - TA Optimum Investment Limited

On 5 October 2018, TA Optimum Investment Limited was incorporated under the BVI Business Companies Act, 2004 in the Province of British Virgin Islands under the BVI company number of 1994254.

The principal activity of TA Optimum Investment Limited is investment in securities. The shareholder of TA Optimum Investment Limited is Parallel Legion Sdn. Bhd., a 60.17% owned subsidiary of the Company. The current issued and paid-up capital of TA Optimum Investment Limited is US\$2.00 divided into two (2) ordinary shares of US\$1.00 each issued to Parallel Legion Sdn. Bhd..

A13 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.

A14 Commitments

The amount of capital commitments not provided for as at 30 September 2018 were as follow:

	RM'000
Approved and contracted for:-	
- Property, plant and equipment	12,176
- Development expenditure	394,634
	<u>406,810</u>

B1 Performance Analysis of the Group's Operating Segments

	CURRENT YEAR QUARTER 30 SEP 2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 SEP 2017 RM'000 (Restated)
Revenue	681,348	279,252
Other income		
- Gain on disposal/redemption of investment securities	4,280	2,113
- Gain on disposal of investment properties	-	3,902
- Gain on deregistration of a subsidiary	1,732	-
- Realised fair value gain on investment securities	-	6,698
- Realised fair value gain on derivatives	-	13,630
- Unrealised fair value gain on derivatives	9,539	1,571
- Others	10,967	1,371
	26,518	29,285
Other expenses		
- Amortisation and depreciation	(26,497)	(27,379)
- Cost of properties and construction materials sold	(342,679)	733
- Remisiers', agents' and futures brokers' commissions	(11,101)	(23,257)
- Hotel operational and personnel cost	(113,140)	(119,996)
- Personnel cost and others	(40,074)	(42,542)
- Property, plant and equipment written off	(15)	(121)
- Loss on disposal of property, plant and equipment	(68)	-
- Realised fair value loss on investment securities	(2,687)	-
- Realised fair value gain on derivatives	(219)	-
- Unrealised fair value loss on investment securities	(54,573)	(8,844)
- Reversal of impairment loss on receivables	116	425
- Reversal of impairment loss on development property	-	1,000
Impairment loss on property, plant and equipment	(22,300)	-
- Impairment loss on investment securities	-	(146)
- Foreign exchange (loss)/gain	(699)	33,489
	(613,936)	(186,638)
Finance income	7,853	3,249
Finance costs	(20,075)	(22,273)
Share of results in associates	(24)	(27)
Share of results in joint venture	128	(3,263)
Profit before tax	81,812	99,585

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

The Group reported revenue of RM681.3 million and profit before tax of RM81.8 million for the current year's third quarter, compared to revenue of RM279.3 million and profit before tax of RM99.6 million reported in the previous year's corresponding quarter.

For the current period-to-date, the Group achieved revenue of RM1,964.0 million and profit before tax of RM506.2 million, as compared to revenue of RM791.5 million and profit before tax of RM282.4 million in the previous year corresponding period.

Despite higher revenue contribution from the property development division, profit before tax for the current year's third quarter were lower as compared to the preceding year's corresponding quarter, mainly attributable to lower profit from investment holding and hotel division.

For the current period-to-date, the improved performance as compared to the preceding year corresponding period was mainly contributed by the property investment and property development divisions.

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

Broking and financial services

Profit before tax of the broking and financial services division decreased from RM8.8 mil in the previous year's third quarter to RM6.8 mil in the current year's third quarter.

For the current period-to-date, this division reported profit before tax of RM23.2 million, as compared to profit before tax of RM29.2 million in the preceding year's period-to-date.

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

Investment holding and others

Investment holding and others division reported loss before tax of RM13.7 million in the current year's third quarter, as compared to profit before tax of RM62.1 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported loss before tax of RM63.2 million, as compared to profit before tax of RM176.9 million in the preceding year's period-to-date.

Although investment interest income was higher in the current year's third quarter and period-to-date, this division reported lower profit as compared to previous year's corresponding period mainly due to fair value losses on investment securities and derivatives, and net foreign exchange loss on translation of CAD and AUD denominated balances.

Credit and lending

For the current year's third quarter, credit and lending division reported marginal loss of RM0.003 million as compared to profit before tax of RM4.7 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported loss before tax of RM4.1 million, as compared to profit before tax of RM9.1 million in the preceding year's period-to-date.

Loss before tax for the current quarter and period-to-date was mainly attributable to foreign exchange loss on 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 RM0.8 million in the current year's third quarter, as compared to profit before tax of RM4.5 million in the previous year's corresponding quarter.

Profit before tax in the previous year's corresponding quarter was higher due to gain on disposal of investment properties.

For the current period-to-date, this division reported profit before tax of RM59.1 million, as compared to profit before tax of RM5.7 million in the preceding year's period-to-date.

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

Property development

Property development division reported profit before tax of RM95.3 million in the current year's third quarter, as compared to loss before tax of RM5.7 million in previous year's corresponding quarter.

The increase in current quarter profit before tax was mainly due to the recognition of profit from the completion of the development project in Little Bay, Australia.

For the current period-to-date, this division reported profit before tax of RM447.3 million, as compared to loss before tax of RM11.3 million in the preceding year's period-to-date.

The increase in period-to-date profit before tax 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 RM0.6 million in the current year's third quarter, as compared to RM24.4 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported net operating profit of RM48.9 million, as compared to net operating profit of RM60.3 million in the preceding year's period-to-date.

The decrease in the current quarter and period to date net operating results was mainly due to impairment loss on a hotel property.

However, profit before tax of the hotel operations division for the current quarter and period-to-date was dragged down by higher foreign exchange loss for the current quarter, and lower foreign exchange gain for 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 RM80.3 million in the current year's third quarter as compared to profit before tax of RM103.4 million in the preceding quarter.

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

B3 Prospects for the current financial year

The on-going trade tension between the world's major economies has led to volatility in the equity and foreign exchange markets. This has increased the uncertainties in the growth prospects of local and global economy.

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 launched local property development project, i.e. Ativo Suites at Damansara Avenue.

On the overseas front, the Group's development project, Illume apartment project in Little Bay Cove has been completed in the third quarter of 2018. This Illume apartment project consists of 179 units of high-end apartments in Little Bay, Sydney of which 172 units have been settled and delivered to the purchasers during the period ended 30 September 2018.

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 RM'000	YEAR TO DATE RM'000
Current tax expense		
Malaysian - current year	3,803	14,761
- prior year	(378)	(366)
Foreign - current year	29,733	71,968
- prior year	1,411	(385)
Deferred tax expense		
Origination and reversal of temporary differences	15,249	66,429
Over provision in prior year	(8,852)	(8,217)
	40,966	144,190

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 current quarter effective tax rate of the Group was higher than the Malaysian statutory tax rate mainly due to adjustment for non-allowable expenses for tax assessment.

The period-to-date effective tax rate of the Group 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 21 November 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 21 November 2018	Proposed utilisation of the remaining disposal consideration	
	Amount RM'000	Amount RM'000	Amount RM'000	Intended timeframe for utilisation
Working capital for on-going property development projects	149,081	148,012	1,069	within 14 months
Repayment of bank borrowings	583,362	583,362	-	utilised
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	747,579	46,442	

B6 Corporate Proposals (continued)

Utilisation of sale proceeds (continued)

As at 21 November 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 21 November 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	62,771	-	utilised
Estimated expenses in relation to the disposal	4,712	1,203	3,509	Within 7 months
Total	67,483	63,974	3,509	

B7 Group Borrowings and Debt Securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term loans	338,939	-	338,939
Revolving credits	64,000	-	64,000
	<u>402,939</u>	<u>-</u>	<u>402,939</u>
<u>Short term borrowings</u>			
Overdrafts	458	-	458
Revolving credits	220,830	264,000	484,830
Other short-term loans	1,549,064	-	1,549,064
	<u>1,770,352</u>	<u>264,000</u>	<u>2,034,352</u>
Total borrowings	<u>2,173,291</u>	<u>264,000</u>	<u>2,437,291</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")	116,000	500,830	616,830
Canadian Dollar ("CAD")	286,939	197,145	484,084
Singapore Dollar ("SGD")	-	491,598	491,598
Australian Dollar ("AUD")	-	55,950	55,950
United States Dollar ("USD")	-	703,695	703,695
Euro ("EUR")	-	71,659	71,659
Great Britain Pound ("GBP")	-	13,475	13,475
Total borrowings	<u>402,939</u>	<u>2,034,352</u>	<u>2,437,291</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 September 2018 <i>In RM'000</i>	Carrying amount					Total	Fair value			
	Mandatorily at FVTPL	FVOCI - equity instrument	FVOCI - debt instrument	Financial assets at amortised cost	Financial liabilities at amortised cost		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment in quoted shares	158,689	-	-	-	-	158,689	158,689	-	-	158,689
Investment in unquoted bonds	-	-	170,797	-	-	170,797	-	170,797	-	170,797
Investment in quoted unit trusts	22,281	-	-	-	-	22,281	-	22,281	-	22,281
Investment in unquoted securities	812,096	-	-	-	-	812,096	-	-	812,096	812,096
Derivatives	7,951	-	-	-	-	7,951	-	7,951	-	7,951
	1,001,017	-	170,797	-	-	1,171,814	158,689	201,029	812,096	1,171,814
Financial assets not measured at fair value										
Investment in unquoted shares	-	490	-	-	-	490	-	-	-	-
Financial receivables	-	-	-	59,271	-	59,271	-	-	-	-
Trade receivables and other receivables **	-	-	-	685,636	-	685,636	-	-	-	-
Cash and cash equivalents	-	-	-	1,500,239	-	1,500,239	-	-	-	-
Contract assets	-	-	-	568	-	568	-	-	-	-
Other investment	-	-	-	-	-	-	-	-	-	-
	-	490	-	2,245,715	-	2,246,205	-	-	-	-
Financial liabilities measured at fair value										
Derivatives	24,763	-	-	-	-	24,763	-	24,763	-	24,763
	24,763	-	-	-	-	24,763	-	24,763	-	24,763
Financial liabilities not measured at fair value										
Trade payables and other payables **	-	-	-	-	764,537	764,537	-	-	-	-
Borrowings	-	-	-	-	2,034,352	2,034,352	-	-	-	-
Contract liabilities	-	-	-	-	5,842	5,842	-	-	-	-
	-	-	-	-	2,804,731	2,804,731	-	-	-	-

** 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
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 30 September 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 September 2018.

B8 Financial Instruments (continued)

(ii) Fair values (continued)

(a) 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>	Unquoted securities
Balance at 1 January 2017	679,586
Purchases	896,476
Disposal	(1,095,693)
Fair value gains and losses recognised in profit or loss	
- Unrealised	(1,761)
- Realised	41,713
Gains and losses recognised in other comprehensive income	
- Exchange translation reserve	(36,206)
Balance at 30 September 2017	484,115
Balance at 1 January 2018	602,239
Purchases	1,398,090
Disposal	(1,105,729)
Fair value gains and losses recognised in profit or loss	
- Unrealised	(92,522)
- Realised	(9,779)
Unrealised forex losses recognised in profit or loss	(295)
Gains and losses recognised in other comprehensive income	
- Exchange translation reserve	20,092
Balance at 30 September 2018	812,096

(b) 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 21 November 2018, there were no changes in material litigation since the last financial year ended 31 December 2017.

B10 Dividend

No dividend is declared as at the date of this announcement other than as stated in Note A8 on dividend paid.

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.

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	240,918	764	(20,642)
Geared Equity Decumulators -Less than 1 year	15,058	-	(4,121)
Geared Equity Options -Less than 1 year	164,736	7,187	-

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-SEP-2018</u>	<u>30-SEP-2017</u> (Restated)	<u>30-SEP-2018</u>	<u>30-SEP-2017</u> (Restated)
Basic earnings per share				
Profit for the period - attributable to owners of the Company (RM'000)	14,339	72,770	240,894	216,661
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>0.84</u>	<u>4.25</u>	<u>14.07</u>	<u>12.66</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
28 November 2018