

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	AS AT 30-JUNE-2019 (Unaudited) RM'000	AS AT 31-DEC-2018 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,876,885	2,233,734
Right-of-use assets	352,862	-
Investment properties	532,714	529,988
Inventories	644,077	637,329
Intangible assets	302,500	302,880
Investments in associates	15,610	15,448
Investments in joint ventures	118,385	113,827
Investments in securities	133,160	147,060
Deferred tax assets	18,706	18,164
Receivables	17,364	16,711
	<u>4,012,263</u>	<u>4,015,141</u>
Current assets		
Contract assets	18,888	8,257
Contract costs	8,922	8,556
Investments in securities	557,668	576,884
Inventories	90,754	91,812
Receivables	470,667	373,383
Derivatives	10,904	-
Tax recoverable	60,315	51,340
Other investment	3,239	3,176
Cash and bank balances	1,158,232	1,193,738
	<u>2,379,589</u>	<u>2,307,146</u>
TOTAL ASSETS	<u>6,391,852</u>	<u>6,322,287</u>
EQUITY AND LIABILITIES		
Share capital	1,775,118	1,775,118
Reserves	833,930	681,525
Total equity attributable to owners of the Company	<u>2,609,048</u>	<u>2,456,643</u>
Non-controlling interests	<u>1,281,280</u>	<u>1,230,079</u>
TOTAL EQUITY	<u>3,890,328</u>	<u>3,686,722</u>
Non-current liabilities		
Deferred tax liabilities	213,937	215,552
Borrowings	687,710	688,071
Lease liabilities	2,649	-
Payables	2,573	4,827
	<u>906,869</u>	<u>908,450</u>
Current liabilities		
Borrowings	1,127,400	1,241,758
Lease liabilities	2,577	-
Payables	441,529	344,244
Contract liabilities	15,559	20,496
Derivatives	4,934	35,480
Current tax liabilities	2,656	85,137
	<u>1,594,655</u>	<u>1,727,115</u>
TOTAL LIABILITIES	<u>2,501,524</u>	<u>2,635,565</u>
TOTAL EQUITY AND LIABILITIES	<u>6,391,852</u>	<u>6,322,287</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.52</u>	<u>1.44</u>

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 2018 and the accompanying notes to the quarterly report attached hereto.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-JUNE-2019	PRECEDING YEAR CORRESPONDING QUARTER 30-JUNE-2018	CURRENT YEAR TO DATE 30-JUNE-2019	PRECEDING YEAR TO DATE 30-JUNE-2018
	RM'000	RM'000	RM'000	RM'000
Revenue	222,599	237,601	451,732	1,293,899
Other income	64,167	105,655	175,394	105,086
Other expenses	(275,850)	(224,452)	(386,550)	(957,816)
Operating profit	10,916	118,804	240,576	441,169
Finance income	3,706	4,368	7,197	8,512
Finance costs	(16,016)	(19,638)	(32,176)	(38,667)
Share of results in associates, net of tax	(115)	(109)	162	(192)
Share of results in joint ventures, net of tax	6	5	18	13,524
(Loss)/Profit before tax	(1,503)	103,430	215,777	424,346
Income tax	(13,317)	(2,145)	(18,571)	(103,224)
(Loss)/Profit for the financial period	(14,820)	101,285	197,206	321,122
(Loss)/Profit attributable to:				
Owners of the Company	(18,534)	97,947	144,570	226,555
Non-controlling interests	3,714	3,338	52,636	94,567
(Loss)/Profit for the financial period	(14,820)	101,285	197,206	321,122
Earnings per share attributable to owners of the Company				
Basic (sen)	(1.08)	5.72	8.44	13.23
Fully diluted (sen)	(1.08)	5.72	8.44	13.23

Note: Certain comparative figures are reclassified to conform with current year's presentation.

The unaudited Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying notes to the quarterly report attached hereto.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-JUNE-2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUNE-2018 RM'000	CURRENT YEAR TO DATE 30-JUNE-2019 RM'000	PRECEDING YEAR TO DATE 30-JUNE-2018 RM'000
(Loss)/Profit for the financial period	(14,820)	101,285	197,206	321,122
Other comprehensive income, net of tax:				
Items that will be reclassified subsequently to profit or loss:				
Net gain/(loss) on foreign currency translation differences	11,063	30,352	(2,393)	(77,820)
Debt investments measured at FVOCI				
- Net fair value gain/(loss)	17,455	(2,322)	13,697	(4,431)
- Reclassification to profit or loss	294	(678)	452	(678)
Other comprehensive income/(loss) for the financial period, net of tax	28,812	27,352	11,756	(82,929)
Total comprehensive income for the financial period	13,992	128,637	208,962	238,193
Total comprehensive income attributable to:				
Owners of the Company	738	122,224	152,175	179,733
Non-controlling interests	13,254	6,413	56,787	58,460
Total comprehensive income for the financial period	13,992	128,637	208,962	238,193

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 2018 and the accompanying notes to the quarterly report attached hereto.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Attributable to equity holders of the Company						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	Fair value reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000			
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	-	-	-	(2,105)	-	3,462	1,357	(391)	966
At 1 January 2018, restated	1,775,118	-	10,300	5,279	360,399	333,398	2,484,494	1,211,434	3,695,928
Total comprehensive income for the financial period									
- 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
Contributions by and distributions to owners of the Company									
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
Total transaction with owners of the Company	-	-	-	-	-	169	169	800	969
At 30 June 2018 (unaudited)	1,775,118	-	10,300	3,047	315,809	560,122	2,664,396	1,270,694	3,935,090
At 1 January 2019	1,775,118	-	10,485	(1,872)	332,830	340,082	2,456,643	1,230,079	3,686,722
Total comprehensive income for the financial period									
- Profit for the financial period	-	-	-	-	-	144,570	144,570	52,636	197,206
- Other comprehensive income/(loss)	-	-	-	8,775	(1,170)	-	7,605	4,151	11,756
	-	-	-	8,775	(1,170)	144,570	152,175	56,787	208,962
Contributions by and distributions to owners of the Company									
Disposal of a subsidiary	-	-	-	-	-	230	230	(5,586)	(5,356)
Total transactions with owners of the Company	-	-	-	-	-	230	230	(5,586)	(5,356)
At 30 June 2019 (unaudited)	1,775,118	-	10,485	6,903	331,660	484,882	2,609,048	1,281,280	3,890,328

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 2018 and the accompanying notes to the quarterly report attached hereto.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**

(The figures have not been audited)

	6 months ended	
	30-JUNE-2019	30-JUNE-2018
	RM'000	RM'000
Cash flows from operating activities		
Cash generated from operations	86,006	778,710
Interest received	7,585	5,936
Taxes paid	(111,664)	(54,459)
Net cash (used in)/generated from operating activities	<u>(18,073)</u>	<u>730,187</u>
Cash flows from investing activities		
Interest received, net	32,370	41,897
Disposal of subsidiary, net of cash disposed	13,188	-
Dividend received	1,778	1,317
Development costs on land held for development	(10,658)	(10,300)
Purchase of property, plant and equipment	(5,364)	(15,007)
Purchase of intangible assets	(982)	(88)
Additional investment in associated company	-	(1,320)
Proceeds from disposal of property, plant and equipment	(93)	71
Proceeds from disposal of investment properties	-	69,843
Purchase of investment properties	(1,601)	(2,763)
Purchase of investment securities	(454,360)	(1,147,893)
Proceeds from settlement of derivatives	605	12,459
Proceeds from disposal/redemption of investment securities	570,795	1,334,038
Increase in pledged deposits for investing facilities	(41,923)	(86,112)
Restricted cash	(5,364)	3,527
Net cash generated from investing activities	<u>98,391</u>	<u>199,669</u>
Cash flows from financing activities		
Interest paid	(31,709)	(37,138)
Net (repayment)/drawdown of borrowings	(133,345)	(711,729)
Net cash used in financing activities	<u>(165,054)</u>	<u>(748,867)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(84,736)</u>	<u>180,989</u>
Cash and cash equivalents at beginning of the period	519,707	224,964
Effects of exchange rate changes	1,310	(7,230)
Cash and cash equivalents at end of the period	<u>436,281</u>	<u>398,723</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	1,158,232	1,173,285
Less:		
Remisiers' monies	(25,088)	(24,949)
Pledged for bank facilities	(647,177)	(711,468)
Restricted cash	(49,686)	(38,145)
	<u>436,281</u>	<u>398,723</u>

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

A1 Basis of Preparation

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

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2018.

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 2018, 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 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 3 <i>Business Combinations (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)</i>	1 January 2019
Amendments to MFRS 9 <i>Financial Instruments – Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11 <i>Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 112 <i>Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 119 <i>Employee Benefits – Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 123 <i>Borrowing Costs (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)</i>	1 January 2019
Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures</i>	1 January 2019

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 16 Leases**

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees.

Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

As permitted by the transitional provision of MFRS 16, the Group has elected to recognise the cumulative effects of the initial application of the standard at the date of initial application.

As a lessee, the Group previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group.

Under MFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases. Leasehold lands were reclassified from property, plant and equipment to right-of-use assets upon adoption of MFRS 16.

The Group elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019.

Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying MFRS 16 to leases previously classified as operating leases under MFRS 117.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of MFRS 137 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Use hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

A2 Changes in Accounting Policies (continued)
MFRS 16 Leases (continued)

The following table presents the impact of changes to the consolidated statements of financial position of the Group resulting from adoption of MFRS 16 as at 1 January 2019:

	31 December 2018	MFRS 16 adjustments	1 January 2019
	RM'000	RM'000	RM'000
Non-current assets			
Property, plant and equipment	2,233,734	(367,293)	1,866,441
Right-of-use assets	-	371,478	371,478
Impact on assets	2,233,734	4,185	2,237,919
Non-current liabilities			
Lease liabilities	-	574	574
Current liabilities			
Lease liabilities	-	3,611	3,611
Impact on liabilities	-	4,185	4,185

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.

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.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
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	69,683	32,827	2,722	38,785	18,948	288,767	-	451,732
Inter-segment revenue	5	33,690	-	4,064	-	-	(37,759)	-
Total revenue	69,688	66,517	2,722	42,849	18,948	288,767	(37,759)	451,732
Results								
Net segment results	6,183	135,734	2,491	9,623	15,866	51,642	-	221,539
Foreign exchange gain/(loss)	334	12,166	(574)	(10)	-	12,747	-	24,663
Operating profit/(loss)	6,517	147,900	1,917	9,613	15,866	64,389	-	246,202
Finance income	4,328	1,456	99	166	764	384	-	7,197
Finance costs	(260)	(14,316)	(613)	(6,539)	(2,302)	(8,146)	-	(32,176)
Share of results of associates, net of tax	-	-	-	162	-	-	-	162
Share of results of joint ventures, net of tax	-	-	-	-	18	-	-	18
Segment profit/(loss)	10,585	135,040	1,403	3,402	14,346	56,627	-	221,403
Unallocated corporate expenses								(5,626)
Profit before tax								215,777
Income tax								(18,571)
Profit for the financial period								197,206
Profit attributable to:								
Equity holders of the Company								144,570
Non-controlling interests								52,636
								197,206

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
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 In RM'000	Reportable segments														Consolidated	
	Broking and financial services		Investment holding		Credit and lending		Property investment		Property development		Hotel operations		Others		2019	2018
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Primary geographical markets																
Malaysia	69,683	70,173	283	553	2,722	5,273	9,782	8,416	13,334	40,077	355	223	135	600	96,294	125,315
Australia	-	-	-	-	-	-	-	-	5,614	740,733	93,966	112,963	-	-	99,580	853,696
Canada	-	-	-	-	-	-	29,003	30,417	-	-	54,840	61,482	-	-	83,843	91,899
British Virgin Island	-	-	32,409	77,224	-	-	-	-	-	-	-	-	-	-	32,409	77,224
Singapore	-	-	-	-	-	-	-	-	-	-	79,875	82,719	-	-	79,875	82,719
China	-	-	-	-	-	-	-	-	-	-	16,459	18,943	-	-	16,459	18,943
Thailand	-	-	-	-	-	-	-	-	-	-	43,272	43,521	-	-	43,272	43,521
Hong Kong	-	-	-	-	-	-	-	582	-	-	-	-	-	-	-	582
	69,683	70,173	32,692	77,777	2,722	5,273	38,785	39,415	18,948	780,810	288,767	319,851	135	600	451,732	1,293,899
Major products/service lines																
Revenue from contracts with customers																
Hotel room rental and related revenue	-	-	-	-	-	-	-	-	-	-	288,767	319,851	-	-	288,767	319,851
Sales of properties	-	-	-	-	-	-	-	-	17,880	779,685	-	-	-	-	17,880	779,685
Sales of construction materials	-	-	-	-	-	-	-	-	-	-	-	-	-	6	-	6
Contract revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross brokerage fee	22,899	32,143	-	-	-	-	-	-	-	-	-	-	-	-	22,899	32,143
Underwriting commission and placement fees	3,867	5,093	-	-	-	-	-	-	-	-	-	-	-	-	3,867	5,093
Rollover fees	913	1,138	-	-	321	830	-	-	-	-	-	-	-	-	1,234	1,968
Acceptance fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative trading income	1,340	3,226	-	-	-	-	-	-	-	-	-	-	-	-	1,340	3,226
Service and administration charges	-	-	-	-	27	48	-	-	-	-	-	-	-	-	27	48
Nominee service fees	5	7	-	-	-	-	-	-	-	-	-	-	-	-	5	7
Profit from sale of trust units	25,382	9,914	-	-	-	-	-	-	-	-	-	-	-	-	25,382	9,914
Manager's fee from unit trust and private mandate clients' funds	8,267	9,208	-	-	-	-	-	-	-	-	-	-	-	-	8,267	9,208
Performance fees from private mandate clients' funds	127	160	-	-	-	-	-	-	-	-	-	-	-	-	127	160
Sale of food and beverage	-	-	-	-	-	-	-	-	-	-	-	-	135	409	135	409
Management fees	-	-	25	483	-	-	318	-	-	-	-	-	-	-	343	483
Maintenance charges recoveries from tenants	-	-	-	-	-	-	14,258	13,344	-	-	-	-	-	-	14,258	13,344
	62,800	60,889	25	483	348	878	14,576	13,344	17,880	779,685	288,767	319,851	135	415	384,531	1,175,545
Other revenue																
Rental income	86	86	180	-	-	-	24,209	26,071	1,068	1,125	-	-	-	185	25,543	27,467
Service and administration charges	6,446	8,706	-	-	-	-	-	-	-	-	-	-	-	-	6,446	8,706
Interest income	-	-	30,422	76,000	2,335	4,395	-	-	-	-	-	-	-	-	32,757	80,395
Gross dividends	194	281	2,065	1,294	39	-	-	-	-	-	-	-	-	-	2,298	1,575
Gain on disposal of other investments	157	211	-	-	-	-	-	-	-	-	-	-	-	-	157	211
	6,883	9,284	32,667	77,294	2,374	4,395	24,209	26,071	1,068	1,125	-	-	-	185	67,201	118,354
Total revenue	69,683	70,173	32,692	77,777	2,722	5,273	38,785	39,415	18,948	780,810	288,767	319,851	135	600	451,732	1,293,899

A11 Subsequent Events

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

On 25 July 2019, the Group announced that Siam Resorts Company Limited, a 60.17% owned foreign subsidiary has entered into a sale and purchase agreement on 24 July 2019 with Destination Resorts Co., Ltd. to acquire the hotel and business of Four Points by Sheraton Bangkok, Sukhumvit 15 for a total cash consideration of THB2,250,000,000 (equivalent to approximately RM299,925,000), exclusive of any applicable tax.

The acquisition was completed on 7 August 2019.

A12 Changes in the Composition of the Group
Disposal of TA Asia Pacific REITs Income Fund (“TAREITs”)

On 30 May 2019, the Company disposed of its entire interest in TAREITs for a total cash consideration of RM3.14 million. Accordingly, TAREITs ceased to be a subsidiary of the Group.

The financial effects on the Group arising from the disposal of TAREITs were as follows:

	At date of disposal
	RM'000
Receivables	3,063
Investment in securities	6,319
Cash and cash equivalents	1,440
Payables	(295)
Total identified net assets disposed	10,527
Non-controlling interest	(7,134)
Net assets	3,393
Proceeds from disposal	3,140
Loss on disposal of subsidiary	(253)
Proceeds from disposal	3,140
Less: Cash and cash equivalents of subsidiary disposed	(1,440)
Net cash inflow on disposal of subsidiary	1,700

A12 Changes in the Composition of the Group (continued)
Disposal of TA Meriah Sdn. Bhd.

On 20 June 2019, TA Properties Sdn. Bhd., a 60.17% owned subsidiary of the Company disposed of the entire 100% equity interest, comprising of 2 ordinary shares and 397 preference shares in TA Meriah Sdn. Bhd., for a total cash consideration of RM11.98 million. Accordingly, TA Meriah Sdn. Bhd. ceased to be a subsidiary of the Group.

The financial effects on the Group arising from the disposal of TA Meriah Sdn. Bhd. were as follows:

	At date of disposal RM'000
Land held for property development	3,910
Total identified net assets disposed	3,910
Proceeds from disposal (net of tax)	11,488
Gain on disposal of subsidiary	7,578
Proceeds from disposal (net of tax)	11,488
Less: Cash and cash equivalents of subsidiary disposed	-
Net cash inflow on disposal of subsidiary	11,488

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 2018.

A14 Commitments

The amount of capital commitments not provided for as at 30 June 2019 were as follow:

	RM'000
Approved and contracted for:-	
- Property, plant and equipment	19,481
- Investment properties	13,623
	<u>33,104</u>

B1 Performance Analysis of the Group's Operating Segments

	CURRENT YEAR QUARTER 30 JUN 2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 JUN 2018 RM'000
Revenue	222,599	237,601
Other income		
- Gain on disposal/redemption of investment securities	3,743	3,060
- Gain on disposal of investment properties	-	54,035
- Gain on disposal of subsidiaries	7,325	-
- Realised fair value gain on investment securities	16,070	2,149
- Unrealised fair value gain on investment securities	-	36,588
- Realised fair value gain on derivatives	10,901	5,159
- Unrealised fair value gain on derivatives	87	-
- Others	26,041	4,664
	64,167	105,655
Other expenses		
- Amortisation and depreciation	(24,709)	(25,640)
- Cost of properties and construction materials sold	(8,491)	3,193
- Remisiers', agents' and futures brokers' commissions	(16,909)	(10,147)
- Hotel operational and personnel cost	(104,969)	(109,626)
- Personnel cost and others	(45,459)	(49,326)
- Loss on disposal of property, plant and equipment	(39)	(45)
- Unrealised fair value loss on derivatives	-	(16,692)
- Unrealised fair value loss on investment securities	(88,359)	-
- Net reversal of impairment on investment securities	59	-
- Impairment loss on receivables	(349)	(146)
- Foreign exchange gain/(loss)	13,375	(16,023)
	(275,850)	(224,452)
Finance income	3,706	4,368
Finance costs	(16,016)	(19,638)
Share of results in associates	(115)	(109)
Share of results in joint venture	6	5
(Loss)/Profit before tax	(1,503)	103,430

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

The Group reported revenue of RM222.6 million and loss before tax of RM1.5 million for the current year's second quarter as compared to revenue of RM237.6 million and profit before tax of RM103.4 million reported in the previous year's corresponding quarter.

For the current period-to-date, the Group achieved revenue of RM451.7 million and profit before tax of RM215.8 million, as compared to revenue of RM1,293.9 million and profit before tax of RM424.3 million in the previous year corresponding period.

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

For the current period-to-date, although the Group reported higher profit from the investment holding and credit and lending divisions, the Group profit was dragged down by the lower contribution primarily from property investment and property development divisions.

The performance of the Group for this quarter is as analysed below:-

Broking and financial services

Profit before tax of the broking and financial services division decreased from RM7.2 mil in the previous year's second quarter to RM4.7 mil in the current year's second quarter.

For the current period-to-date, this division reported profit before tax of RM10.6 million, as compared to profit before tax of RM16.3 million in the preceding year's period-to-date.

This decrease in profit before tax in the current year was mainly due to decrease in brokerage income.

Investment holding and others

Investment holding and others division reported loss before tax of RM45.3 million in the current year's second quarter, as compared to profit before tax of RM40.4 million in the previous year's corresponding quarter.

Despite reporting realized fair value gain on derivatives and net foreign exchange gain on translation of CAD and AUD denominated balances, the current year's second quarter results was adversely affected by lower interest income and net fair value loss on investment in securities, which was mainly unrealized.

For the current period-to-date, this division reported profit before tax of RM135.0 million, as compared to loss before tax of RM49.5 million in the preceding year's period-to-date.

Despite a drop in interest income and unrealized fair value loss on quoted shares, this division's profit was higher mainly attributable to the higher fair value gains on investment in securities and derivatives, and net foreign exchange gain resulted from translation of CAD denominated balances.

B1 Performance Analysis of the Group's Operating Segments (continued)***Credit and lending***

For the current year's second quarter, credit and lending division reported profit before tax of RM0.5 million as compared to profit before tax of RM5.0 million in the previous year's corresponding quarter.

Profit before tax in the current year's second quarter was lower mainly due to lower interest income, and lower foreign exchange gain on translation of CAD denominated balances.

For the current period-to-date, this division reported profit before tax of RM1.4 million, as compared to loss before tax of RM4.1 million in the preceding year's period-to-date.

Despite lower interest income, this division reported improved results for the current period-to-date mainly due to lower foreign exchange loss resulted from translation of CAD denominated balances.

Property investment

Property investment division reported profit before tax of RM2.0 million in the current year's second quarter, as compared to profit before tax of RM55.2 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported profit before tax of RM3.4 million, as compared to profit before tax of RM58.3 million in the preceding year's period-to-date.

The decrease in both the quarter and period-to-date results was mainly due to the absence of one-off gain on disposal of investment property, which was reported in the previous year's corresponding period.

Property development

Property development division reported profit before tax of RM16.2 million in the current year's second quarter, as compared to loss before tax of RM6.0 million in previous year's corresponding quarter.

The improved results of the current year's second quarter were mainly due to increase in sales recognition from development projects and income from refund of stamp duty in relation to disposal of properties in Australia in prior year.

For the current period-to-date, this division reported profit before tax of RM14.3 million, as compared to profit before tax of RM352.3 million in the preceding year's period-to-date.

The division's lower profit before tax was mainly attributable to the absence of the one-off profit recorded for the same period of prior year on the disposals of two development properties.

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

Hotel operations division registered net operating profit (excluding foreign exchange gain) of RM13.1 million in the current year's second quarter, as compared to RM15.2 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported net operating profit of RM42.0 million, as compared to net operating profit of RM48.3 million in the preceding year's period-to-date.

The decrease in both the current year's quarter and period-to-date net operating profit was mainly due to a decline in revenue in most of the hotels under the Group's portfolio.

Notwithstanding the above, profit before tax of the current year was cushioned by a higher foreign exchange gain arising from the translation of THB denominated balances against USD, as compared to the previous year's corresponding period.

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

The Group reported loss before tax of RM1.5 million in the current year's second quarter as compared to profit before tax of RM217.3 million in the preceding quarter. Loss before tax for the current year's second quarter was mainly attributable to unrealized fair value loss on investment in securities.

B3 Prospects for the current financial year

A softer global economic momentum in the second half of 2018 is expected to continue in 2019 with synchronized slowdown across different regions and sectors. The Group anticipates challenges for the financial year in light of the ongoing United States-China trade war, global trade disputes, a no-deal withdrawal of the United Kingdom from the European Union, continued slowdown in China and unease in financial markets reflected by falling stock markets and further deterioration in risk sentiment.

The prospects for each business division are summarized below: -

Broking and financial services

2019 will continue to be a challenging year as weaknesses seen in the global economy are gaining traction and have been amplified by the protracted global issues like the United States-China trade wars, Brexit impasse, softer China's economy growth and deteriorating global corporate earnings. With the current uncertainty and volatility of the world's stock markets, we hope to achieve satisfactory financial performance of our financial services business for the financial year.

To accomplish that, we will consistently engage, monitor and evaluate our business strategies to maximize return to our shareholders. While optimising our existing resources to generate higher brokerage income, we will continue to look out for business opportunities to increase our fees-based income and revenue from proprietary activities. In addition, we will continue to look for strategic locations to grow our branch network in Malaysia.

Credit and lending

The financial year 2019 is expected to be challenging for the credit and lending division. However, the division will strive to increase financing activities by providing short and medium term loans to business enterprises for their working capital and to individuals for their investments.

Property investment

For the financial year 2019, 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 high occupancy.

Property development

Year 2019 will be challenging for the Property Development as the Malaysian property market is expected to be flattish. With pressing issues such as high unsold inventory units in the market, low absorption rates, stringent mortgage approvals from the financial institutions, competitive marketing promotion and price war affecting the Malaysia property market, property sales are expected to be challenging. The Group will be launching property sale of certain strategically connected and located property development projects within the Klang Valley and Kuala Lumpur to ride on the next phase of the property cycle in Malaysia. Strategic adjustment on products, pricing and innovative sales strategies will be adopted and we anticipate to achieve moderate sales from these property launches.

B3 Prospects for the current financial year (continued)

Hotel operations

For the financial year 2019, the Group's hospitality businesses located in Singapore, Australia, Canada, China and Thailand will strive to sustain its revenue and gross operating profit and generate recurring income stream for the Group. We expect satisfactory financial performance for our hospitality businesses for the financial year.

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

Barring any unforeseen circumstances, the Group's financial performance is expected to be satisfactory for the financial year ending 31 December 2019.

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	2,939	4,836
- prior year	1,334	2,344
Foreign - current year	6,097	9,701
- prior year	4,390	4,392
Deferred tax expense		
Origination and reversal of temporary differences	(1,443)	(2,702)
	13,317	18,571

Income tax is calculated at the Malaysian statutory tax rate of 24% (2018: 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's effective tax rate of the Group was higher than the Malaysian statutory tax rate mainly due to the expenses incurred by certain subsidiaries not allowable for tax purpose.

The current year to date effective tax rate of the Group was lower than the Malaysian statutory tax rate mainly due to certain non-taxable income of the Group.

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 August 2019, 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 August 2019	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	149,038	43	within 5 months
Repayment of bank borrowings	583,362	583,362	-	utilised
Estimated tax expenses in relation to the disposal	45,373	45,373	-	utilised
Estimated expenses in relation to the disposal	16,205	16,205	-	utilised
Total	794,021	793,978	43	

As at 21 August 2019, 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 August 2019	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	1,213	3,499	Within 3 months
Total	67,483	63,984	3,499	

B7 Group Borrowings and Debt Securities

Total Group borrowings as at 30 June 2019 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term loans	615,286	-	615,286
Revolving credits	64,000	-	64,000
Bridging loan	8,424	-	8,424
	<u>687,710</u>	<u>-</u>	<u>687,710</u>
<u>Short term borrowings</u>			
Overdrafts	796	-	796
Revolving credits	122,120	191,200	313,320
Other short-term loans	813,284	-	813,284
	<u>936,200</u>	<u>191,200</u>	<u>1,127,400</u>
Total borrowings	<u>1,623,910</u>	<u>191,200</u>	<u>1,815,110</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")	112,424	332,499	444,923
Canadian Dollar ("CAD")	276,686	195,575	472,261
Singapore Dollar ("SGD")	298,600	9,762	308,362
Australian Dollar ("AUD")	-	67	67
United States Dollar ("USD")	-	520,755	520,755
Euro ("EUR")	-	53,794	53,794
Great Britain Pound ("GBP")	-	14,948	14,948
Total borrowings	<u>687,710</u>	<u>1,127,400</u>	<u>1,815,110</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 2019 <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	75,306	-	-	-	-	75,306	75,306	-	-	75,306
Investment in unquoted shares	-	2,759	-	-	-	2,759	-	-	2,759	2,759
Investment in unquoted bonds	45,015	-	130,401	-	-	175,416	-	175,416	-	175,416
Investment in quoted unit trusts	22,948	-	-	-	-	22,948	-	22,948	-	22,948
Investment in unquoted securities	414,399	-	-	-	-	414,399	-	-	414,399	414,399
Derivatives	10,904	-	-	-	-	10,904	-	10,904	-	10,904
	568,572	2,759	130,401	-	-	701,732	75,306	209,268	417,158	701,732
Financial assets not measured at fair value										
Financial receivables	-	-	-	40,754	-	40,754	-	-	-	-
Trade receivables and other receivables **	-	-	-	416,812	-	416,812	-	-	-	-
Cash and bank balances	-	-	-	1,158,232	-	1,158,232	-	-	-	-
Other investment	-	-	-	3,239	-	3,239	-	-	-	-
	-	-	-	1,619,037	-	1,619,037	-	-	-	-
Financial liabilities measured at fair value										
Borrowings - non-current	-	-	-	-	687,710	687,710	-	-	687,722	687,722
Derivatives	4,934	-	-	-	-	4,934	-	4,934	-	4,934
	4,934	-	-	-	687,710	692,644	-	4,934	687,722	692,656
Financial liabilities not measured at fair value										
Trade payables and other payables **	-	-	-	-	437,149	437,149	-	-	-	-
Borrowings - current	-	-	-	-	1,127,400	1,127,400	-	-	-	-
	-	-	-	-	1,564,549	1,564,549	-	-	-	-

** 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 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	235,922	-	-	-	-	235,922	235,922	-	-	235,922
Investment in unquoted shares	-	2,759	-	-	-	2,759	-	-	2,759	2,759
Investment in unquoted bonds	22,763	-	144,301	-	-	167,064	-	167,064	-	167,064
Investment in quoted unit trusts	28,604	-	-	-	-	28,604	-	28,604	-	28,604
Investment in unquoted securities	289,595	-	-	-	-	289,595	-	-	289,595	289,595
	576,884	2,759	144,301	-	-	723,944	235,922	195,668	292,354	723,944
Financial assets not measured at fair value										
Financial receivables	-	-	-	60,840	-	60,840	-	-	-	-
Trade receivables and other receivables **	-	-	-	300,007	-	300,007	-	-	-	-
Cash and bank balances	-	-	-	1,193,738	-	1,193,738	-	-	-	-
Other investment	-	-	-	3,176	-	3,176	-	-	-	-
	-	-	-	1,557,761	-	1,557,761	-	-	-	-
Financial liabilities measured at fair value										
Borrowings - non-current	-	-	-	-	688,071	688,071	-	-	688,094	688,094
Derivatives	35,480	-	-	-	-	35,480	-	35,480	-	35,480
	35,480	-	-	-	688,071	723,551	-	35,480	688,094	723,574
Financial liabilities not measured at fair value										
Trade payables and other payables **	-	-	-	-	334,466	334,466	-	-	-	-
Borrowings - current	-	-	-	-	1,241,758	1,241,758	-	-	-	-
	-	-	-	-	1,576,224	1,576,224	-	-	-	-

** 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 2019 and 30 June 2018.

(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 trust, unquoted bonds and derivatives are measured at Level 2.

Quoted unit trusts

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

Unquoted bonds

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

Derivatives (comprising geared equity accumulators, decumulators and stock options)

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

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

There were no transfers between Level 1 and Level 2 during the current period ended 30 June 2019.

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 and unquoted shares are measured at Level 3.

Unquoted securities

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 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
Balance at 30 June 2018	678,678
Balance at 1 January 2019	289,595
Purchases	323,809
Disposal	(264,500)
Fair value gains and losses recognised in profit or loss	
- Unrealised	19,270
- Realised	46,339
Foreign exchange loss recognised in profit or loss	
- Realised	(426)
Gains and losses recognised in other comprehensive income	
- Exchange translation reserve	312
Balance at 30 June 2019	414,399

B8 Financial Instruments (continued)
(ii) Fair values (continued)
(a) Financial instruments measured at fair value (continued)
(iv) Level 3: Inputs for the assets that are not based on observable market data
Unquoted shares

The fair values of unquoted shares are based on the adjusted net asset method by reference to the fair value of the assets and liabilities of the investee.

Reconciliation of Level 3 fair values

<i>In RM'000</i>	Unquoted shares
Balance at 1 January 2019/30 June 2019	2,759

(b) Financial instruments not measured at fair value

Non-current bank loans are valued using discounted cash flows based on the current market rate of borrowing of respective Group entities at the reporting date.

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

B9 Material Litigation

As at 21 August 2019, there were no changes in material litigation since the last financial year ended 31 December 2018.

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 2018 which was approved by shareholders during the Annual General Meeting on 26 June 2019, 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 10 July 2019.

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 and options 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	41,241	3,671	(3,573)
Geared Equity Decumulators - Less than 1 year	5,302	-	(1,361)
Geared Equity Options - Less than 1 year	2,050	7,233	-

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 30 JUN 2019	PRECEDING YEAR CORRESPONDING QUARTER 30 JUN 2018	CURRENT YEAR TO DATE 30 JUN 2019	PRECEDING YEAR TO DATE 30 JUN 2018
Basic earnings per share				
(Loss)/Profit for the period - attributable to owners of the Company (RM'000)	(18,534)	97,947	144,570	226,555
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)	(1.08)	5.72	8.44	13.23

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 August 2019