

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020**

	AS AT 30-SEP-2020 (Unaudited) RM'000	AS AT 31-DEC-2019 (Audited) <sup>(i)</sup> RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,872,955	2,069,003
Investment properties	531,862	536,889
Right-of-use assets	346,198	352,843
Inventories	633,947	631,386
Intangible assets	290,356	332,921
Investment in an associate	15,478	15,589
Investments in joint ventures	5,463	117,599
Investments in securities	3,920	86,166
Deferred tax assets	14,112	13,354
Receivables	11,256	10,139
	<u>3,725,547</u>	<u>4,165,889</u>
<b>Current assets</b>		
Contract assets	20,414	42,381
Contract cost	13,754	9,866
Investments in securities	648,138	371,252
Inventories	211,989	115,328
Receivables	594,844	343,759
Derivatives	6,648	839
Tax recoverable	15,619	23,701
Other investment	3,380	51,238
Cash and bank balances	953,111	1,174,429
	<u>2,467,897</u>	<u>2,132,793</u>
<b>TOTAL ASSETS</b>	<b><u>6,193,444</u></b>	<b><u>6,298,682</u></b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,775,118	1,775,118
Reserves	502,168	756,227
<b>Total equity attributable to owners of the Company</b>	<u>2,277,286</u>	<u>2,531,345</u>
<b>Non-controlling interests</b>	<u>1,107,158</u>	<u>1,238,570</u>
<b>TOTAL EQUITY</b>	<u>3,384,444</u>	<u>3,769,915</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	196,932	203,928
Borrowings	337,788	540,923
Lease liabilities	832	812
Provision	2,698	5,699
	<u>538,250</u>	<u>751,362</u>
<b>Current liabilities</b>		
Borrowings	1,738,212	1,383,947
Lease liabilities	712	1,569
Payables	454,687	341,876
Provision	12,749	12,233
Contract liabilities	55,333	30,078
Derivatives	-	1,251
Income tax payables	9,057	6,451
	<u>2,270,750</u>	<u>1,777,405</u>
<b>TOTAL LIABILITIES</b>	<u>2,809,000</u>	<u>2,528,767</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>6,193,444</u></b>	<b><u>6,298,682</u></b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.33</u>	<u>1.48</u>

**Note:**

<sup>(i)</sup> Retrospective adjustment to reflect the effects of purchase price allocation exercise arising from the acquisition of hotel and business of Four Points by Sheraton Bangkok that was completed on 7 August 2019. Please refer Note A2 for more details.

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 2019 and the accompanying notes to the quarterly report attached hereto.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-SEP-2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-SEP-2019 RM'000	CURRENT YEAR TO DATE 30-SEP-2020 RM'000	PRECEDING YEAR TO DATE 30-SEP-2019 RM'000
<b>Revenue</b>	189,717	222,056	501,479	641,068
Other income	25,434	11,536	44,923	56,875
Net (loss)/gain from investments in securities	68,041	(14,380)	(118,721)	132,430
Operating expenses	(400,497)	(211,655)	(772,436)	(586,885)
<b>Operating (loss)/profit</b>	<u>(117,305)</u>	<u>7,557</u>	<u>(344,755)</u>	<u>243,488</u>
Finance income	2,277	5,067	10,179	16,909
Finance costs	(11,418)	(17,089)	(42,905)	(49,265)
Share of results in an associate, net of tax	1	-	(111)	162
Share of results in joint ventures, net of tax	(14)	-	(4)	18
<b>(Loss)/Profit before tax</b>	<u>(126,459)</u>	<u>(4,465)</u>	<u>(377,596)</u>	<u>211,312</u>
Income tax	(3,978)	(7,931)	(19,736)	(26,502)
<b>(Loss)/Profit for the financial period</b>	<u><u>(130,437)</u></u>	<u><u>(12,396)</u></u>	<u><u>(397,332)</u></u>	<u><u>184,810</u></u>
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company	(65,758)	(14,941)	(256,427)	129,629
Non-controlling interests	(64,679)	2,545	(140,905)	55,181
<b>(Loss)/Profit for the financial period</b>	<u><u>(130,437)</u></u>	<u><u>(12,396)</u></u>	<u><u>(397,332)</u></u>	<u><u>184,810</u></u>
<b>Earnings per share attributable to owners of the Company</b>				
Basic (sen)	(3.84)	(0.87)	(14.98)	7.57
Fully diluted (sen)	(3.84)	(0.87)	(14.98)	7.57

*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 2019 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 SEPTEMBER 2020**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-SEP-2020	PRECEDING YEAR CORRESPONDING QUARTER 30-SEP-2019	CURRENT YEAR TO DATE 30-SEP-2020	PRECEDING YEAR TO DATE 30-SEP-2019
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the financial period	(130,437)	(12,396)	(397,332)	184,810
<b>Other comprehensive income, net of tax:</b>				
<b>Items that will be reclassified subsequently to profit or loss:</b>				
Net gain/(loss) on foreign currency translation differences	22,098	(1,597)	32,162	(3,990)
Debt investments measured at FVOCI				
- Net fair value gain	5,494	1,095	1,996	14,792
- Reclassification to profit or loss	(4,891)	(545)	(5,178)	(93)
Other comprehensive income/ (loss) for the financial period, net of tax	22,701	(1,047)	28,980	10,709
<b>Total comprehensive income/(loss) for the financial period</b>	<b>(107,736)</b>	<b>(13,443)</b>	<b>(368,352)</b>	<b>195,519</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	(54,751)	(14,045)	(236,940)	138,130
Non-controlling interests	(52,985)	602	(131,412)	57,389
<b>Total comprehensive income/(loss) for the financial period</b>	<b>(107,736)</b>	<b>(13,443)</b>	<b>(368,352)</b>	<b>195,519</b>

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 2019 and the accompanying notes to the quarterly report attached hereto.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	----- Attributable to equity holders of the Company -----						Non-controlling interests RM'000	Total equity RM'000
	----- Non-distributable -----			Distributable				
	Share capital RM'000	Capital reserve RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000		
<b>At 1 January 2019</b>	1,775,118	10,485	(1,872)	332,830	340,082	2,456,643	1,230,079	3,686,722
<b>Total comprehensive income for the financial period</b>								
- Profit for the financial period	-	-	-	-	129,629	129,629	55,181	184,810
- Other comprehensive income/(loss)	-	-	9,102	(601)	-	8,501	2,208	10,709
	-	-	9,102	(601)	129,629	138,130	57,389	195,519
<b>Contributions by and distributions to owners of the Company</b>								
Dividend to owners of the Company	-	-	-	-	(70,188)	(70,188)	-	(70,188)
Dividend to non-controlling interests	-	-	-	-	-	-	(33,910)	(33,910)
Disposal of a subsidiary	-	-	-	-	230	230	(5,586)	(5,356)
Redemption of preference shares by subsidiaries	-	22,400	-	-	(22,400)	-	-	-
<b>Total transaction with owners of the Company</b>	-	22,400	-	-	(92,358)	(69,958)	(39,496)	(109,454)
<b>At 30 September 2019 (unaudited)</b>	1,775,118	32,885	7,230	332,229	377,353	2,524,815	1,247,972	3,772,787
<b>At 1 January 2020</b>	1,775,118	37,928	5,009	319,358	393,932	2,531,345	1,238,570	3,769,915
<b>Total comprehensive income for the financial period</b>								
- Loss for the financial period	-	-	-	-	(256,427)	(256,427)	(140,905)	(397,332)
- Other comprehensive income/(loss)	-	(179)	(2,469)	22,135	-	19,487	9,493	28,980
	-	(179)	(2,469)	22,135	(256,427)	(236,940)	(131,412)	(368,352)
<b>Contributions by and distributions to owners of the Company</b>								
Dividend to owners of the Company	-	-	-	-	(17,119)	(17,119)	-	(17,119)
<b>Total transactions with owners of the Company</b>	-	-	-	-	(17,119)	(17,119)	-	(17,119)
<b>At 30 September 2020 (unaudited)</b>	1,775,118	37,749	2,540	341,493	120,386	2,277,286	1,107,158	3,384,444

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 2019 and the accompanying notes to the quarterly report attached hereto.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

(The figures have not been audited)

	9 months ended	
	30-SEP-2020	30-SEP-2019
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	56,259	129,853
Interest received	2,994	7,585
Taxes paid	(17,897)	(103,339)
<b>Net cash generated from operating activities</b>	<u>41,356</u>	<u>34,099</u>
<b>Cash flows from investing activities</b>		
Interest received, net	63,130	53,646
Deconsolidation/disposal of subsidiaries, net of cash	(457)	13,188
Acquisition of business	-	(317,345)
Dividend received	1,647	2,082
Purchase of property, plant and equipment	(5,261)	(11,009)
Purchase of intangible assets	(60)	(643)
Proceeds from disposal of property, plant and equipment	376	55
Purchase of properties under construction	(99,195)	-
Purchase of investment properties	(1,972)	(6,048)
Purchase of investment securities	(2,459,954)	(1,244,175)
Proceeds from disposal of other investment	47,858	-
Proceeds from settlement of derivatives	7,443	1,288
Proceeds from disposal/redemption of investment securities	2,029,566	1,374,499
Decrease in pledged deposits for investing facilities	233,304	90,904
Decrease/(increase) in restricted cash	6,426	(4,330)
<b>Net cash used in investing activities</b>	<u>(177,149)</u>	<u>(47,888)</u>
<b>Cash flows from financing activities</b>		
Dividend paid to owners of the Company	(17,119)	(70,188)
Dividend paid to non-controlling interests	-	(33,910)
Interest paid	(41,469)	(48,536)
Payment of lease liabilities	(1,449)	-
Net drawdown/(repayment) of borrowings	210,141	(5,657)
<b>Net cash generated from/(used in) financing activities</b>	<u>150,104</u>	<u>(158,291)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	14,311	(172,080)
Cash and cash equivalents at beginning of the period	385,754	519,707
Effects of exchange rate changes	754	(1,092)
<b>Cash and cash equivalents at end of the period</b>	<u>400,819</u>	<u>346,535</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	953,111	933,780
Less:		
Remisiers' monies	(27,607)	(24,243)
Pledged for bank facilities	(478,582)	(514,350)
Restricted cash	(46,103)	(48,652)
	<u>400,819</u>	<u>346,535</u>

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**
**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 2019.

**A2 Changes in Accounting Policies**

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2019, except for the adoption of the following Amendments to MFRSs.

	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 3 <i>Business Combinations – Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 <i>Presentation of Financial Statements</i> and MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material</i>	1 January 2020
Amendments to MFRS 9 <i>Financial Instruments</i> , MFRS 139 <i>Financial Instruments: Recognition and Measurement</i> and MFRS 7 <i>Financial Instruments: Disclosures – Interest Rate Benchmark Reform</i>	1 January 2020

The adoption of the above pronouncements has no significant impact to the financial statements of the Group in the period of initial application.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**
**A2 Changes in Accounting Policies (continued)**
**Completion of Purchase Price Allocation**

During the current financial period, the Group has completed the purchase price allocation (“PPA”) exercise to determine the fair values of the net assets of Four Points by Sheraton Bangkok, within the stipulated time period, i.e. twelve (12) months from the acquisition date of 7 August 2019, in accordance with MFRS 3, *Business Combinations*.

In accordance with MFRS 3, *Business Combinations*, during the measurement period, the Group shall retrospectively adjust the provisional amounts recognised at the acquisition date.

The effects of the final PPA adjustments on the 31 December 2019 comparative figures are as follows:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
<b>As at 31 December 2019</b>			
<b>Consolidated Statement of Financial Position</b>			
<u>Assets</u>			
Intangible assets	334,016	(1,095)	332,921
<u>Liabilities</u>			
Deferred tax liabilities	205,023	(1,095)	203,928

**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.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****A5 Unusual Items Affecting the Financial Statements**

The World Health Organization (WHO) declared Coronavirus (e.g. COVID-19) a 'Pandemic' on 11 March 2020 and on 16 March 2020 the Prime Minister of Malaysia has issued an order for the restriction of movements pursuant to the Prevention and Control of Disease Act 1988 (PCDA).

As the coronavirus pandemic continues to cause travel restrictions, certain hotels of the Group have been temporarily closed due to low occupancy while certain hotels remained open at reduced operations to accommodate the stranded and those requiring government mandated self-isolation.

The decline in hotel occupancy has also caused an impairment loss of RM179.6 million being recognised on certain hotel properties as their carrying amounts exceeded their estimated recoverable amounts.

The worldwide financial markets have reported sharp declines and volatilities have spiked. The Group held a significant amount of investments in securities of which their fair values have deteriorated significantly.

As such, the performance of each business segment, mainly the hotel operations and investment holding segment, were severely affected.

**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**

An interim single-tier dividend of 1.00 sen per share for the financial year ended 31 December 2019 amounted to RM17,119,096, was paid on 8 May 2020.



**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
<b>Revenue</b>								
External revenue	205,487	2,328	4,740	58,823	47,723	182,378	-	501,479
Inter-segment revenue	9	82,152	-	6,817	-	-	(88,978)	-
<b>Total revenue</b>	<b>205,496</b>	<b>84,480</b>	<b>4,740</b>	<b>65,640</b>	<b>47,723</b>	<b>182,378</b>	<b>(88,978)</b>	<b>501,479</b>
<b>Results</b>								
Net segment results	39,205	(184,349)	4,333	21,083	8,286	(181,908)	-	(293,350)
Foreign exchange gain/(loss)	66	(2,117)	117	2	11	(33,281)	-	(35,202)
<b>Operating profit/(loss)</b>	<b>39,271</b>	<b>(186,466)</b>	<b>4,450</b>	<b>21,085</b>	<b>8,297</b>	<b>(215,189)</b>	<b>-</b>	<b>(328,552)</b>
Finance income	6,079	3,121	147	364	165	303	-	10,179
Finance costs	(254)	(13,644)	(659)	(8,343)	(3,067)	(16,938)	-	(42,905)
Share of results of associates, net of tax	-	-	-	(111)	-	-	-	(111)
Share of results of joint ventures, net of tax	-	-	-	-	(4)	-	-	(4)
Segment profit/(loss)	45,096	(196,989)	3,938	12,995	5,391	(231,824)	-	(361,393)
Unallocated corporate expenses								(16,203)
<b>Loss before tax</b>								<b>(377,596)</b>
Income tax								(19,736)
<b>Loss for the financial period</b>								<b>(397,332)</b>
<b>Loss attributable to:</b>								
Owners of the Company								(256,427)
Non-controlling interests								(140,905)
								<b>(397,332)</b>

**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 9 months ended 30 September In RM'000	Reportable segments															
	Broking and financial services		Investment holding		Credit and lending		Property investment		Property development		Hotel operations		Others		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Primary geographical markets</b>																
Malaysia	205,487	100,013	2,307	307	4,740	3,996	13,691	16,126	47,723	24,563	141	508	21	135	274,110	145,648
Australia	-	-	-	-	-	-	-	24	-	11,094	64,115	138,113	-	-	64,115	149,231
Canada	-	-	-	-	-	-	45,132	44,944	-	-	26,074	88,480	-	-	71,206	133,424
Singapore	-	-	-	-	-	-	-	-	-	-	52,365	122,836	-	-	52,365	122,836
China	-	-	-	-	-	-	-	-	-	-	11,038	24,754	-	-	11,038	24,754
Thailand	-	-	-	-	-	-	-	-	-	-	28,645	65,175	-	-	28,645	65,175
	205,487	100,013	2,307	307	4,740	3,996	58,823	61,094	47,723	35,657	182,378	439,866	21	135	501,479	641,068
<b>Major products/service lines</b>																
<b>Revenue from contracts with customers</b>																
Hotel room rental and related revenue	-	-	-	-	-	-	-	-	-	-	140,938	334,279	-	-	140,938	334,279
Sales of food and beverage	-	-	-	-	-	-	-	-	-	-	41,440	105,587	-	135	41,440	105,722
Sales of properties	-	-	-	-	-	-	-	-	46,278	34,176	-	-	-	-	46,278	34,176
Gross brokerage fee	86,546	33,386	-	-	-	-	-	-	-	-	-	-	-	-	86,546	33,386
Underwriting commission and placement fees	7,309	5,261	-	-	-	-	-	-	-	-	-	-	-	-	7,309	5,261
Rollover fees	1,299	1,483	-	-	394	325	-	-	-	-	-	-	-	-	1,693	1,808
Acceptance fees	-	-	-	-	15	1	-	-	-	-	-	-	-	-	15	1
Derivative trading income	3,185	2,260	-	-	-	-	-	-	-	-	-	-	-	-	3,185	2,260
Service and administration charges	-	-	-	-	121	106	-	-	-	-	-	-	-	-	121	106
Nominee service fees	77	65	-	-	-	-	-	-	-	-	-	-	-	-	77	65
Profit from sale of trust units	75,962	34,448	-	-	-	-	-	-	-	-	-	-	-	-	75,962	34,448
Manager's fee from unit trust and private mandate clients' funds	21,566	12,925	-	-	-	-	-	-	-	-	-	-	-	-	21,566	12,925
Performance fees from private mandate clients' funds	114	159	-	-	-	-	-	-	-	-	-	-	-	-	114	159
Management fees	-	-	2,111	37	-	-	14	477	-	-	-	-	-	-	2,125	514
Sales of electricity	-	-	-	-	-	-	305	1,020	-	-	-	-	-	-	305	1,020
Maintenance charges recoveries from tenants	-	-	-	-	-	-	18,137	22,093	-	-	-	-	-	-	18,137	22,093
	196,058	89,987	2,111	37	530	432	18,456	23,590	46,278	34,176	182,378	439,866	-	135	445,811	588,223
<b>Other revenue</b>																
Rental income	184	129	196	270	-	-	40,367	37,504	1,445	1,481	-	-	21	-	42,213	39,384
Service and administration charges	9,245	9,740	-	-	-	-	-	-	-	-	-	-	-	-	9,245	9,740
Interest income	-	-	-	-	4,210	3,564	-	-	-	-	-	-	-	-	4,210	3,564
Gain on disposal of other investments	-	157	-	-	-	-	-	-	-	-	-	-	-	-	-	157
	9,429	10,026	196	270	4,210	3,564	40,367	37,504	1,445	1,481	-	-	21	-	55,668	52,845
<b>Total revenue</b>	205,487	100,013	2,307	307	4,740	3,996	58,823	61,094	47,723	35,657	182,378	439,866	21	135	501,479	641,068

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****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**

There were no changes in the composition of the Group during the current financial period, except as disclosed below:-

**Voluntary liquidation of TA Antarabangsa Development Limited**

On 27 May 2020, TA Antarabangsa Development Limited, a 60.17% owned subsidiary of the Group, was placed under voluntary liquidation pursuant to the BVI Business Companies Act, 2004.

On 16 June 2020, the liquidation process was completed and TA Antarabangsa Development Limited was effectively dissolved.

The dissolution of the subsidiary does not have significant financial and operation effect to the Group during the current financial period.

**Voluntary liquidation of TA Antarabangsa Limited**

On 9 April 2020, TA Antarabangsa Limited, a wholly-owned subsidiary of the Group, was placed under voluntary liquidation pursuant to the BVI Business Companies Act, 2004.

On 27 July 2020, the liquidation process was completed and TA Antarabangsa Limited was effectively dissolved.

The dissolution of the subsidiary does not have significant financial and operation effect to the Group during the current financial period.

**Deconsolidation of TA Hotel Management Limited Partnership and TA Hotel GP Ltd.**

On 27 August 2020, TA Hotel Management Limited Partnership, a limited partnership of the Group that operates the Trump International Hotel & Tower Vancouver, and its general partner, TA Hotel GP Ltd. made assignments into bankruptcy and appointed Grant Thornton Limited to act as a Trustee pursuant to Section 49(4) of the Bankruptcy and Insolvency Act of Canada.

The Group has deconsolidated both subsidiaries due to loss of control and accordingly, derecognized the related assets and liabilities of these subsidiaries.

**A12 Changes in the Composition of the Group (continued)**
Deconsolidation of TA Hotel Management Limited Partnership and TA Hotel GP Ltd. (continued)

The deconsolidation has the following effect on the Group's assets and liabilities on date of derecognition.

	<b>RM'000</b>
<b>Consideration received</b>	-
<b>Identifiable assets and liabilities deconsolidated</b>	
Equipment	287
Right-of-use assets	143
Inventories	1,538
Receivables	643
Cash and bank balances	457
Payables	(11,839)
Net identifiable liabilities deconsolidated	<u>(8,771)</u>
Transfer from exchange translation reserve	<u>111</u>
<b>Gain on deconsolidation of subsidiaries</b>	<u><u>8,660</u></u>
<b>Net cash outflow arising from deconsolidation of subsidiaries</b>	<u><u>457</u></u>

**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 2019.

**A14 Commitments**

The amount of capital commitments not provided for as at 30 September 2020 were as follow:

	<b>RM'000</b>
Approved and contracted for:-	
- Property, plant and equipment	13,704
- Investment properties	17,531
	<u><u>31,235</u></u>

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**
**A15 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 2020 <i>In RM'000</i>	Carrying amount						Fair value			
	Mandatorily at FVTPL	FVOCI - equity instrument	FVOCI - debt instrument	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>										
Investment in quoted shares	638,792	-	-	-	-	638,792	638,792	-	-	638,792
Investment in unquoted shares	-	2,745	-	-	-	2,745	-	-	2,745	2,745
Investment in unquoted bonds	-	-	1,175	-	-	1,175	-	1,175	-	1,175
Investment in quoted unit trusts	9,346	-	-	-	-	9,346	-	9,346	-	9,346
Derivatives	6,648	-	-	-	-	6,648	-	6,648	-	6,648
	654,786	2,745	1,175	-	-	658,706	638,792	17,169	2,745	658,706
<b>Financial assets not measured at fair value</b>										
Financial receivables	-	-	-	43,647	-	43,647	-	-	-	-
Trade receivables and other receivables **	-	-	-	540,450	-	540,450	-	-	-	-
Cash and bank balances	-	-	-	953,111	-	953,111	-	-	-	-
Other investment	-	-	-	3,380	-	3,380	-	-	-	-
	-	-	-	1,540,588	-	1,540,588	-	-	-	-
<b>Financial liabilities not measured at fair value</b>										
Trade payables and other payables **	-	-	-	-	454,687	454,687	-	-	-	-
Lease liabilities	-	-	-	-	1,544	1,544	-	-	-	-
Borrowings - non-current	-	-	-	-	337,788	337,788	-	-	337,788	337,788
Borrowings - current	-	-	-	-	1,738,212	1,738,212	-	-	-	-
	-	-	-	-	2,532,231	2,532,231	-	-	337,788	337,788

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**
**A15 Financial Instruments (continued)**
**(i) Accounting classifications (continued)**

31 December 2019 <i>In RM'000</i>	Carrying amount					Fair value				
	Mandatorily at FVTPL	FVOCI - equity instrument	FVOCI - debt instrument	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>										
Investment in quoted shares	207,692	-	-	-	-	207,692	207,692	-	-	207,692
Investment in unquoted shares	-	2,745	-	-	-	2,745	-	-	2,745	2,745
Investment in unquoted bonds	44,861	-	101,961	-	-	146,822	-	146,822	-	146,822
Investment in quoted unit trusts	23,230	-	-	-	-	23,230	-	23,230	-	23,230
Investment in unquoted securities	76,929	-	-	-	-	76,929	-	76,929	-	76,929
Derivatives	839	-	-	-	-	839	-	839	-	839
	<b>353,551</b>	<b>2,745</b>	<b>101,961</b>	<b>-</b>	<b>-</b>	<b>458,257</b>	<b>207,692</b>	<b>247,820</b>	<b>2,745</b>	<b>458,257</b>
<b>Financial assets not measured at fair value</b>										
Financial receivables	-	-	-	48,944	-	48,944	-	-	-	-
Trade receivables and other receivables **	-	-	-	284,879	-	284,879	-	-	-	-
Cash and bank balances	-	-	-	1,174,429	-	1,174,429	-	-	-	-
Other investment	-	-	-	51,238	-	51,238	-	-	-	-
	-	-	-	<b>1,559,490</b>	-	<b>1,559,490</b>	-	-	-	-
<b>Financial liabilities measured at fair value</b>										
Derivatives	1,251	-	-	-	-	1,251	-	1,251	-	1,251
	<b>1,251</b>	-	-	-	-	<b>1,251</b>	-	<b>1,251</b>	-	<b>1,251</b>
<b>Financial liabilities not measured at fair value</b>										
Trade payables and other payables **	-	-	-	-	324,798	324,798	-	-	-	-
Lease liabilities	-	-	-	-	2,381	2,381	-	-	-	-
Borrowings - non-current	-	-	-	-	540,923	540,923	-	-	544,033	544,033
Borrowings - current	-	-	-	-	1,383,947	1,383,947	-	-	-	-
	-	-	-	-	<b>2,252,049</b>	<b>2,252,049</b>	-	-	<b>544,033</b>	<b>544,033</b>

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

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****A15 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 2020 and 31 December 2019.

**(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, structured securities 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.

***Structured securities***

The fair values of unquoted structured securities are estimated by considering inter-relationship between volatility and correlation in discounted cash flows and option pricing by financial institutions.

***Derivatives (comprising geared equity accumulators, decumulators, forward exchange contracts 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 forward exchange contracts are estimated by incorporating various inputs such as the credit quality of counterparties, and foreign exchange spot and forward rates.

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.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**
**A15 Financial Instruments (continued)**
**(ii) Fair values (continued)**
**(a) Financial instruments measured at fair value (continued)**
**(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) continued**

There were no transfers between Level 1 and Level 2 during the current period ended 30 September 2020.

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

Unquoted shares are measured at Level 3.

**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>	<b>Unquoted shares</b>
Balance at 1 January 2020/30 September 2020	2,745

**(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.



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA**
**B1 Performance Analysis of the Group's Operating Segments**

	CURRENT YEAR QUARTER 30 SEP 2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 SEP 2019 RM'000	CURRENT YEAR TO DATE 30 SEP 2020 RM'000
Revenue	189,717	222,056	501,479
Other income	25,434	11,536	44,923
Net gain/(loss) from investments in securities			
- Net fair value gain/(loss)	16,970	(32,315)	(219,626)
- Interest income	20,971	14,980	58,251
- Gross dividend income	615	320	1,451
- Net gain on disposal/redemption	29,485	2,635	41,203
	68,041	(14,380)	(118,721)
Operating expenses			
- Amortisation and depreciation	(24,952)	(27,920)	(74,876)
- Property development expenditure recognised as expense	(16,264)	(12,753)	(33,942)
- Cost of inventories	(4,839)	(10,589)	(17,074)
- Remisiers', agents' and futures brokers' commissions	(57,231)	(13,749)	(110,257)
- Hotel operational and personnel cost	(38,574)	(101,976)	(159,250)
- Personnel cost and others	(70,928)	(33,589)	(155,448)
- Property, plant and equipment written off	-	(303)	-
- Net reversal of impairment loss on investment securities	267	47	444
- Net impairment loss on receivables	(5,733)	(1,017)	(7,253)
- Net impairment loss/reversal of impairment loss on property, plant and equipment	(132,682)	16	(132,682)
- Impairment loss on right-of-use assets	(1,885)	-	(1,885)
- Impairment loss on intangible assets	(45,011)	-	(45,011)
- Foreign exchange loss, net	(2,665)	(9,822)	(35,202)
	(400,497)	(211,655)	(772,436)
Finance income	2,277	5,067	10,179
Finance costs	(11,418)	(17,089)	(42,905)
Share of results in associates	1	-	(111)
Share of results in joint venture	(14)	-	(4)
Loss before tax	(126,459)	(4,465)	(377,596)

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA****B1 Performance Analysis of the Group's Operating Segments (continued)**

The Group reported revenue of RM189.7 million and loss before tax of RM126.5 million for the current year third quarter as compared to revenue of RM222.1 million and loss before tax of RM4.5 million reported in the previous year's corresponding quarter.

For the current period-to-date, the Group achieved revenue of RM501.5 million and loss before tax of RM377.6 million, as compared to revenue of RM641.1 million and profit before tax of RM211.3 million in the previous year corresponding period.

For the current year third quarter, the Group reported a loss from the hotel operations division, which dragged down the Group's results despite profits contributed by all other divisions.

For the current period-to-date, despite higher profit contribution from the broking, credit and lending and property investment divisions, the Group results dropped as compared to the preceding year's corresponding period mainly attributable to losses from the investment holding and hotel operations divisions, and lower profit from the property development division.

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 increased from RM4.3 million in the previous year third quarter to RM23.8 million in the current year third quarter.

For the current period-to-date, this division reported profit before tax of RM45.1 million, as compared to profit before tax of RM14.9 million in the preceding year's period-to-date.

This increase in profit before tax of the current year was mainly due to increase in net brokerage and gain on trading of investment in securities.

***Investment holding and others***

Investment holding and others division reported profit before tax of RM48.1 million in the current year third quarter, as compared to loss before tax of RM25.9 million in the previous year corresponding quarter.

Despite higher net realised fair value loss on investment in securities, the Group achieved profit before tax in the current year third quarter mainly due to a comparatively lower net unrealised fair value loss on investments in securities and foreign exchange gain on translation of CAD, SGD and AUD denominated balances.

For the current period-to-date, this division reported loss before tax of RM197.4 million, as compared to profit before tax of RM118.2 million in the preceding year's period-to-date.

Despite lower finance cost and foreign exchange gain on translation of AUD denominated balances, the Group reported fair value loss on investments in securities, and foreign exchange loss on translation of CAD, EUR and AUD denominated balances, which explained the loss before tax for the current period-to-date.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA****B1 Performance Analysis of the Group's Operating Segments (continued)*****Credit and lending***

For the current year's third quarter, credit and lending division reported profit before tax of RM1.7 million as compared to profit before tax of RM1.1 million in the previous year's corresponding quarter.

The increase in current year third quarter profit before tax was mainly due to the increase in interest income.

For the current period-to-date, this division reported profit before tax of RM3.9 million, as compared to profit before tax of RM2.5 million in the preceding year's period-to-date.

In addition to higher interest income, the increase in the current period-to-date profit before tax was mainly attributable to foreign exchange gain on translation of CAD denominated balances.

***Property investment***

Property investment division reported profit before tax of RM5.2 million in the current year's third quarter, as compared to profit before tax of RM2.8 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported profit before tax of RM13.0 million, as compared to profit before tax of RM6.2 million in the preceding period.

The increase in current year profit before tax was mainly due to lower finance cost and higher net rental income from a property in Canada.

***Property development***

Property development division reported profit before tax of RM4.0 million in the current year's third quarter, as compared to loss before tax of RM0.6 million in previous year's corresponding quarter.

Profit before tax in the current year's third quarter was mainly attributable to profit recognition from the Alix Residences and Damansara Avenue projects in Kuala Lumpur.

In the absence of development profit from the Australia project, the Group reported a lower profit before tax of RM5.4 million in the current period-to-date, as compared to profit before tax of RM13.7 million in the preceding period-to-date.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA****B1 Performance Analysis of the Group's Operating Segments (continued)***Hotel operations*

Hotel operations division registered net operating loss (excluding foreign exchange loss) of RM185.2 million in the current year's third quarter, as compared to net operating profit (excluding foreign exchange gain) of RM17.4 million in the previous year's corresponding quarter.

For the current period-to-date, this division reporting net operating loss of RM198.5 million (excluding foreign exchange loss), as compared to net operating profit of RM61.2 million (excluding foreign exchange gain).

As countries impose restrictions and curbs on travel to stem the spread of COVID-19, hotel occupancies dropped significantly. The adverse impact on hotel revenue coupled with impairment loss on hotel properties in China, Canada and Thailand, had caused the current year drop in net operating profit, even though the impact was partially mitigated by lower hotel operation cost resulted from the Group's tight cost-control measures, government subsidies, gain on deconsolidation of subsidiaries and fair value gain on derivatives.

Foreign exchange translation on THB denominated balances against USD has also affected negatively on the current year hotel operations performance with RM18.8 million translation loss in the current year third quarter, as compared to RM2.1 million translation gain in the preceding year corresponding quarter; and RM33.3 million translation loss in the current year period-to-date, as compared to RM14.9 million translation gain in the preceding period-to-date.

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

The Group reported loss before tax of RM126.5 million in the current year third quarter as compared to loss before tax of RM33.0 million in the preceding quarter.

Despite the increase in net brokerage, net gain from investment in securities, gain on deconsolidation of subsidiaries and increase in property development profit, the Group results dropped mainly due to further hotel operating loss, impairment loss on hotel properties in China, Canada and Thailand, foreign exchange loss resulted from translation of THB denominated balances against USD, and lower foreign exchange gain from translation on AUD and CAD denominated balances against RM.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA****B3 Prospects for the current financial year**

The COVID-19 has clouded the near-term outlook for the global economy, pushing multi-lateral agencies including the International Monetary Fund, the World Bank and the OECD to lower their respective GDP projections. Although the scale of the setback is highly uncertain, an escalation in the COVID-19 outbreak could cut global economic growth in half and plunge several countries into recession this year with China remaining the focal point of the economic damage. Against a backdrop of already weak GDP growth, the economies of Japan and the euro-zone could slide into recession this year, while failure in the UK's post-Brexit trade talks with the EU also represented a significant downside risk. Synchronized global cooperation is needed to cope with the crisis. Central banks world-wide are signaling a new effort to cushion the impact of COVID-19 on the global economy. The challenge for central bankers is that they are running low on firepower after a slew of stimulus measures were unleashed in recent years to protect economies from trade wars, geopolitical tensions and the impact of low inflation. With its international business stretching from Australia to Asia and Canada, the Group as a whole is not spared from these anticipated weak GDP growth and economic challenges. As the Group's revenue is mainly derived from property and hospitality sectors spanning across 6 countries, Malaysia, Australia, Singapore, China, Thailand and Canada, the general economic outlook of these countries, the global economic trend and the impact of COVID-19 on various business industries will charter the future prospects, sustainability and viability of the Group's property development, property investment and hospitality business. The outbreak of COVID-19 is expected to cause unprecedented disruptions and negative impact to the various business sectors within the Group during this financial year. The prospects for each business division are summarised below: -

***Broking and financial services***

Investor sentiment was very fragile in the first four months of 2020 due to the COVID-19. The wide spread of COVID-19 globally has restricted free mobility and caused lock-downs, move restrictions and curfews resulting in various businesses to close indefinitely. The various stimulus measures announced by various government globally failed to lift market sentiment in financial markets around the globe, and such has further impacted the already soft economy.

The Group expects the financial market sentiment to improve in the second half of 2020 as the COVID-19 curve starts to flatten and certain business industry starts to strengthen following massive monetary and fiscal stimulus measures implemented by the central banks and key trading nations. The global economy is expected to improve if COVID-19 could be contained in the near future or when a vaccine is found. As such, the Group will continue to practice prudent risk management to meet challenges ahead whilst continuing to enhance our products to be competitive and improve market share.

The Group expect its Corporate Finance teams to continue contributing to its fee-based income by providing comprehensive financial advisory services and also contributions from its pool of proprietary traders. With the opening of latest branch in Johor Bahru on 1 November 2019, the Group has ten branches throughout Malaysia to seize the market recovery opportunities and the Group will continue to look for suitable locations to further its branch network.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA****B3 Prospects for the current financial year (continued)*****Credit and lending***

The FY2020 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 corporate clients who wish to expand their business and individual clients for expansion of their investment portfolio. The Group's financial packages are customised to the needs of clients with flexible repayment terms at competitive interest rate and pricing.

***Property investment***

The Group's portfolio of office, retail & commercial units in our investment property business provides stable recurring rental income to the Group. Despite disruptions caused by COVID-19 where the Group expects to face reduction in rental revenue in countries like Malaysia and Canada pursuant to the respective government directives to offer reduction in rental, the Group expects the business to contribute to higher earnings and yield soon as the Group completes the retail components in its property development projects. The Group also anticipates a recovery and progressive increase in rental revenue upon completion of the upgrading works in Menara TA One, Kuala Lumpur.

***Property development***

The property development activities of the Group in Malaysia are also negatively impacted by the COVID-19, resulting in lacklustre sales, additional time required to complete projects, additional overhead expenses and other expenses in managing the risks of COVID-19 at its construction sites. Although all these additional expenses and costs may put a strain on the profitability of the Group's property development earnings for the FY2020, nevertheless, the Group will continue to be dedicated to its reputation and brand by developing high-quality real estate products and services in its various projects that will enrich people and the communities where its development projects are constructed.

***Hotel operations***

Hotel operations for the FY2020 is expected to be negatively impacted by COVID-19 as it rapidly spread across the globe, disrupting global travel and supply chains and adversely impacted global commercial activity. As the Group's hotels operate on a global platform, any changes in global, national, or regional economies and governmental policies (in areas such as trade, travel, immigration, healthcare and related issues) due to COVID-19 will materially impact the Group's hotel performances if these conditions extend longer than anticipated, or in other circumstances that are not able to predict or mitigate. The current decreases in travel resulting from weak economic conditions, changes in energy prices and currency values, heightened travel security measures, disruptions in air travel, and concerns over COVID-19 infection has caused three of the Group's hotels to be closed temporarily. With the decline in hotels revenue during this COVID-19, the Group took steps to reduce operating costs and increase efficiency. Even though the Group's hotels may eventually reopen for business in the later part of year 2020, the overall hotels' performance depending on the market outlook of the respective countries, may take some time to stabilize and recover to their pre-COVID-19 performance levels. With the uncertainty of the aftermath of COVID-19, the Group is uncertain what the future holds for the travel and hospitality industry and hotels as it is not known exactly when travellers will be back in force.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA**
**B3 Prospects for the current financial year (continued)**
***Hotel operations (continued)***

However, together with the Group's hotel operators, the Group will prepare for the months and years ahead in a post COVID-19 world as history has shown us that travel is one of the world's most resilient industries and we are certain that the travellers will be back to our hotels as soon as economies and international borders starts to open up. Given time, the Group's hotels will recover its lost grounds due to COVID-19 and start contributing effectively to the Group's future financial performance.

Barring any unforeseen circumstances, the Group's financial performance is expected to be challenging for the financial year ending 31 December 2020.

**B4 Variance between Actual Profit and Forecast Profit**

Not applicable.

**B5 Taxation**

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

	<b>CURRENT QUARTER RM'000</b>	<b>YEAR TO DATE RM'000</b>
<b>Current tax expense</b>		
Malaysian - current year	5,021	13,067
- prior year	984	2,152
Foreign - current year	3,785	11,325
- prior year	(1,712)	272
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(4,100)	(7,080)
	<u>3,978</u>	<u>19,736</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 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 and year-to-date 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.



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA****B6 Corporate Proposals**

There is no corporate proposal announced or not completed by the Group as at the date of this report, except as disclosed below: -

On 12 February 2020, the Company announced the following: -

- (i) the Company proposed to acquire additional interest in TA Global Bhd (“TAG”) via a proposed conditional voluntary take-over offer (“Proposed VGO”) to acquire up to 2,119,389,362 ordinary shares in TAG (“Offer Shares”), representing up to 39.83% equity interest in TAG, for a consideration of RM0.28 per Offer Share, which shall be satisfied by way of the following:
  - (a) a cash consideration of RM0.28 for every 1 Offer Share surrendered (“Cash Option”); or
  - (b) a share exchange based on an exchange ratio of 0.4211 new ordinary share in TAE “(TAE Shares)” (“Consideration Shares”) to be issued at an issue price of RM0.665 each for every 1 Offer Share surrendered; and
- (ii) the Company proposed to issue up to 550,539,554 new ordinary shares (“Subscription Shares”) at an issue price of RM0.665 each to be subscribed by Datuk Tiah Thee Kian to fund the Cash Option pursuant to the Proposed VGO (“Proposed Subscription”).

The Proposed VGO is conditional upon the following:

- (i) approval of Bursa Malaysia Securities Berhad for the listing of and quotation for the Consideration Shares and Subscription Shares on the Main Market of Bursa Securities; and
- (ii) approval of the non-interested shareholders of the Company in relation to the Proposed VGO and the Proposed Subscription at an extraordinary general meeting of the Company to be convened.



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA**
**B7 Group Borrowings and Debt Securities**

Total Group borrowings as at 30 September 2020 were as follows: -

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
<b><u>Long term borrowings</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Term loans	332,363	-	332,363
Bridging loan	5,425	-	5,425
	<u>337,788</u>	<u>-</u>	<u>337,788</u>
<b><u>Short term borrowings</u></b>			
Term loans	269,056	-	269,056
Revolving credits	166,920	227,750	394,670
Bridging loans	22,966	-	22,966
Other short-term loans	1,051,520	-	1,051,520
	<u>1,510,462</u>	<u>227,750</u>	<u>1,738,212</u>
Total borrowings	<u>1,848,250</u>	<u>227,750</u>	<u>2,076,000</u>

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

	<b>Long term</b>	<b>Short term</b>	<b>Total</b>
	<b>borrowings</b>	<b>borrowings</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia ("RM")	41,425	417,636	459,061
Canadian Dollar ("CAD")	-	448,787	448,787
Singapore Dollar ("SGD")	296,363	-	296,363
United States Dollar ("USD")	-	744,193	744,193
Hong Kong Dollar ("HKD")	-	20,389	20,389
Euro ("EUR")	-	107,207	107,207
Total borrowings	<u>337,788</u>	<u>1,738,212</u>	<u>2,076,000</u>

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA****B8 Material Litigation**

As at 11 November 2020, there were no changes in material litigation since the last financial year ended 31 December 2019, except as disclosed below:

**(i) Tien Entertainment Sdn Bhd vs Menara TA One Sdn Bhd**

On 13 October 2020, Menara TA Sdn Bhd (“MTA”) (“Defendant”), a subsidiary of the Group received a copy of the Writ of Summons and Statement of Claim both dated 25 September 2020 from the solicitors of Tien Entertainment Sdn Bhd (“Plaintiff”).

The suit arose from the alleged breaches on the following agreements: -

- (a) Tenancy Agreement dated 22 February 2013 between the Plaintiff and TA Properties Sdn Bhd (“TAP”), the holding company of MTA (“the Original Tenancy Agreement”); and
- (b) Novation and Amendment Agreement dated 6 October 2016 between TAP, the Plaintiff and MTA (“the Amended Tenancy Agreement”).

The Plaintiff claims that the Defendant wrongfully terminated the Original Tenancy Agreement and the Amended Tenancy Agreement and that the Defendant had also breached certain clauses in both Agreements.

The reliefs sought by the Plaintiff against the Defendant are as follows: -

- (a) A declaration that the Notice of Termination dated 28 February 2018 is unlawful, null, void and that the Tenancy Agreement dated 22 February 2013 and the Novation and Amendment Agreement dated 6 October 2016 were wrongful terminated;
- (b) Refund of all deposits of RM329,970.40;
- (c) The rent paid to Defendant of a total sum of RM1,548,067.10;
- (d) Fees paid to Plaintiff’s contractors of a total sum of RM1,284,175.10 for work done;
- (e) Payroll of a total sum of RM3,917,848.00;
- (f) License fees of RM46,680.00;
- (g) Annual loss of profit of RM31,049,670.00 which the Plaintiff could have earned for the period determined by High Court;
- (h) Other expenses of RM394,246.00;
- (i) Exemplary damages;
- (j) Aggravated damages;
- (k) Further and/or alternatively, that the Defendant to be ordered to pay general damages to be assessed and fixed by the High Court;
- (l) Interest of 5% per annum on all the sums above awarded by the High Court from the date of the Letter of demand dated 28 August 2018 until the date of full payment by the Defendant;
- (m) Costs; and
- (n) Any further reliefs that the High Court deems fit and suitable.

Pursuant to the above, the Board has appointed Messrs Khairuddin Ngiam & Tan (Solicitor) to defend the legal suit. The Board has also instructed the said Solicitor to file a counterclaim for the rental in arrears against the Plaintiff. The Board is confident of the success of MTA in the defence against the legal suit and its pursuit of the counterclaim.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA****B8 Material Litigation (continued)****(ii) Siam Resorts Company Limited vs Destination Resorts Co., Ltd**

On 2 November 2020, Siam Resorts Company Limited (“Siam Resorts”), a 60.17% owned subsidiary of the Group filed a civil complaint (“Civil Lawsuit”) against Destination Resorts Co., Ltd (“Destination Resorts”).

On 13 January 2020, Siam Resorts issued a Demand for Performance of Obligations (“Demand”) to Destination Resorts and has demanded for a payment of Thai Baht (“THB”) 10,002,732.39 plus default interest at 7.5% per annum until the aforesaid is fully paid (“Interest”) by 31 January 2020 (“Demanded Sum”), failing which legal recovery actions will be taken against Destination Resorts. On 23 March 2020, Siam Resorts issued a Final Demand for Performance of Obligations (“Final Demand”) to Destination Resorts for the Demanded Sum by 23 April 2020.

The Demand originated from a Sale and Purchase Agreement entered between Siam Resorts and Destination Resorts dated 24 July 2019 (“SPA”), of which the parties to the SPA agreed to the sale and purchase of hotel and business of Four Points by Sheraton Bangkok for a total cash consideration of THB 2,250,000,000.00. Pursuant to Clause 6 of the SPA and Net Working Capital Adjustment Statement, as at the completion of the SPA on 7 August 2019, it was established that Siam Resorts shall receive a Net Capital Adjustment Payment (“NCA”) of THB 11,102,732.39 from Destination Resorts within 5 business days from the expiry of reconciliation period or by 15 October 2019. On 26 November 2020, Destination Resorts instructed that the security deposit of THB 1,100,000.00 due to its related company Destination Eats Co. Ltd, be utilised towards the payment of the NCA, thus reducing the NCA to the Demanded Sum. The Demanded Sum remain payable to Siam Resorts since 8 November 2019.

Siam Resorts engaged PKF Advisory (Thailand) Ltd for auditor determination of the NCA pursuant to Clause 6.4 of the SPA and it was independently determined on 6 October 2020 that the NCA payable to Siam Resorts was actually in the calculated amount of THB 10,074,530.07 (“Determined Amount”). On 12 October 2020, Siam Resorts demanded a total sum of THB 10,762,530.07 comprising of the Determined Amount and the cost of the auditor determination from Destination Resorts (“Further Demanded Sum”).

The Further Demanded Sum remain unpaid as at current date and the Civil Lawsuit is now undertaken against Destination Resorts to recover the Further Demanded Sum and default interest payable.

**B9 Dividend**

No dividend was declared as at the date of this announcement.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA**
**B10 Disclosure of derivatives**

The Group has entered into geared equity accumulators, decumulators, forwards 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 *A15(ii)(a)(ii)*. Derivatives with positive market values are included under current assets and derivatives with negative market values are included under current liabilities. Any changes in fair values during the period are taken directly into the income statement.

<b>Types of derivatives/Maturity</b>	<b>Contract/Notional value RM'000</b>	<b>Fair value asset RM'000</b>	<b>Fair value liability RM'000</b>
Forward Exchange Contract - Less than 1 year	315,014	6,572	-
Stock Options - Less than 1 year	49,148	64	-
Decumulators - Less than 1 year	15,772	12	-

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

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

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA**
**B12 Earnings per share attributable to owners of the Company**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30 Sep 2020	PRECEDING YEAR CORRESPONDING QUARTER 30 Sep 2019	CURRENT YEAR TO DATE 30 Sep 2020	PRECEDING YEAR TO DATE 30 Sep 2019
<b>Basic earnings per share</b>				
(Loss)/Profit for the period - attributable to owners of the Company (RM'000)	(65,758)	(14,941)	(256,427)	129,629
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>(3.84)</u>	<u>(0.87)</u>	<u>(14.98)</u>	<u>7.57</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  
18 November 2020