

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DEC 2016

	AS AT END OF CURRENT PERIOD 31 DECEMBER 2016 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2015 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,126,391	2,039,900
Investment properties	608,769	585,017
Land held for property development	896,338	817,000
Intangible assets	318,572	311,161
Associated companies	14,362	14,615
Joint venture	225,559	177,705
Investment in securities	290,323	198,543
Deferred tax assets	82,452	74,249
Receivables	-	263,364
	<u>4,562,766</u>	<u>4,481,554</u>
Current assets		
Property development costs	210,055	185,411
Investment in securities	413,556	156,805
Inventories	51,493	53,121
Receivables	181,456	148,239
Tax recoverable	18,199	18,541
Derivatives	-	720
Cash and short term deposits	912,027	420,140
	<u>1,786,786</u>	<u>982,977</u>
TOTAL ASSETS	<u>6,349,552</u>	<u>5,464,531</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	2,660,862	2,660,862
Reserves	363,794	127,909
	<u>3,024,656</u>	<u>2,788,771</u>
Preference shares issued by subsidiaries	57,988	57,988
Total Equity	<u>3,082,644</u>	<u>2,846,759</u>
Non-current liabilities		
Deferred tax liabilities	235,006	270,301
Long term borrowings	1,314,352	742,903
Payables	-	3,080
	<u>1,549,358</u>	<u>1,016,284</u>
Current liabilities		
Short term borrowings	1,263,462	1,281,278
Payables	439,382	313,390
Income tax payable	10,798	4,602
Derivatives	3,908	2,218
	<u>1,717,550</u>	<u>1,601,488</u>
Total liabilities	3,266,908	2,617,772
TOTAL EQUITY AND LIABILITIES	<u>6,349,552</u>	<u>5,464,531</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.57</u>	<u>0.52</u>

Note:

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the period ended 31 December 2015 and the accompanying notes to the quarterly report attached hereto.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DEC 2016

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31 DECEMBER 2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 DECEMBER 2015 RM'000	CURRENT YEAR TO DATE 31 DECEMBER 2016 RM'000	PRECEDING YEAR CORRESPONDING YEAR 31 DECEMBER 2015 RM'000
Revenue	186,460	N/A	590,391	N/A
Other income	24,604	N/A	38,144	N/A
Other expenses	(133,475)	N/A	(518,648)	N/A
Profit from operations	<u>77,589</u>	<u>N/A</u>	<u>109,887</u>	<u>N/A</u>
Finance income	15,925	N/A	43,345	N/A
Finance costs	(16,662)	N/A	(64,233)	N/A
Share of results of associated companies, net of tax	(207)	N/A	(253)	N/A
Share of results in joint venture	33,936	N/A	52,712	N/A
Profit before tax	<u>110,581</u>	<u>N/A</u>	<u>141,458</u>	<u>N/A</u>
Income tax	27,796	N/A	15,491	N/A
Profit for the period	<u><u>138,377</u></u>	<u><u>N/A</u></u>	<u><u>156,949</u></u>	<u><u>N/A</u></u>
Profit attributable to: Equity holders of the Company	<u><u>138,377</u></u>	<u><u>N/A</u></u>	<u><u>156,949</u></u>	<u><u>N/A</u></u>
Earnings per share attributable to equity holders of the Company				
Basic (sen)	2.60	N/A	2.95	N/A
Fully diluted (sen)	2.60	N/A	2.95	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DEC 2016 (cont'd)

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	QUARTER	CORRESPONDING	YEAR	CORRESPONDING
	31 DECEMBER	31 DECEMBER	31 DECEMBER	31 DECEMBER
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Profit for the period	138,377	N/A	156,949	N/A
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	86,328	N/A	83,267	N/A
Foreign currency translation loss reclassified to profit or loss	-	N/A	-	N/A
Available-for-sale financial assets				
- Net fair value (loss)/gain	(581)	N/A	7,303	N/A
- Reclassification to profit or loss	(889)	N/A	1,627	N/A
- Income tax relating to components of other comprehensive income	(46)	N/A	44	N/A
Other comprehensive income/(loss) for the period, net of tax	<u>84,812</u>	<u>N/A</u>	<u>92,241</u>	<u>N/A</u>
Total comprehensive income for the period	<u>223,189</u>	<u>N/A</u>	<u>249,190</u>	<u>N/A</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>223,189</u>	<u>N/A</u>	<u>249,190</u>	<u>N/A</u>

Notes: The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the period ended 31 December 2015 and the accompanying notes to the quarterly report attached hereto.

The financial year end of the company has been changed from 31 January to 31 December. Consequently, there are no comparative figures for the cumulative period ended 31 Dec 2015 to be presented in this Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income.



TA GLOBAL BERHAD (828855-P)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Attributable to owners of the Company									
	Non-distributable					Distributable				
	Share capital RM'000	Capital reserve RM'000	Merger reserve RM'000	Available-for-sale reserve RM'000	Exchange translation reserve RM'000	Exchange differences recognised in equity RM'000	Retained profits RM'000	Total RM'000	Preference shares issued by subsidiaries RM'000	Total equity RM'000
At 1 January 2016	2,660,862	214	(926,077)	3,449	309,268	89,205	651,850	2,788,771	57,988	2,846,759
Dividend	-	-	-	-	-	-	(13,305)	(13,305)	-	(13,305)
Total comprehensive income for the period	-	-	-	8,974	52,310	30,957	156,949	249,190	-	249,190
At 31 December 2016 (unaudited)	2,660,862	214	(926,077)	12,423	361,578	120,162	795,494	3,024,656	57,988	3,082,644

Notes:

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the period ended 31 December 2015 and the accompanying notes to the quarterly report attached hereto.

The financial year end of the company has been changed from 31 January to 31 December. Consequently, there are no comparative figures for the cumulative period ended 31 December 2015 to be presented in this Condensed Consolidated Statement of Changes in Equity.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**
(The figures have not been audited)

	12 MONTHS ENDED	
	31-DEC-2016	31-DEC-2015
	RM'000	RM'000
Operating Activities		
Profit before tax	141,458	N/A
Adjustments for:		
Non-cash items	29,083	N/A
Non-operating items	21,346	N/A
Operating profit before changes in working capital	<u>191,887</u>	<u>-</u>
Net decrease in assets	171,279	N/A
Net increase in liabilities	<u>220,628</u>	<u>N/A</u>
Cash generated from operations	583,794	-
Interest received	359	N/A
Taxes paid	(21,028)	N/A
Net cash generated from operating activities	<u>563,125</u>	<u>-</u>
Investing Activities		
Interest received	42,986	N/A
Dividend received	1,934	N/A
Development cost on land held for development	(69,453)	N/A
Purchase of property, plant and equipment	(134,634)	N/A
Proceeds from disposal of property, plant and equipment	58	N/A
Deposit paid for acquisition of property, plant and equipment	(66,536)	N/A
Purchase of investment properties	(12,296)	N/A
Purchase of investment securities	(431,636)	N/A
Proceeds from settlement of derivatives	13,782	N/A
Proceeds from disposal/redemption of investment securities	191,121	N/A
Other payments	(19)	N/A
Net cash used in investing activities	<u>(464,693)</u>	<u>-</u>
Financing Activities		
Dividend paid to equity holders of the Company	(13,305)	N/A
Interest paid	(64,233)	N/A
Net drawdown of borrowings	464,724	N/A
Increase in pledged deposits for financing facilities	(227,172)	N/A
Net cash generated from financing activities	<u>160,014</u>	<u>-</u>
Net increase in cash and cash equivalents during the year	258,446	-
Cash and cash equivalents at beginning of year		
As previously reported	227,671	N/A
Effects of exchange rate changes	6,269	N/A
As restated	233,940	-
Cash and cash equivalents at end of current year	<u>492,386</u>	<u>-</u>
Cash and cash equivalents comprise of:		
Cash and short term deposits	912,027	N/A
Less:		
Cash pledged for banking facilities	(419,641)	N/A
	<u>492,386</u>	<u>-</u>

Note: The financial year end of the Company has been changed from 31 January to 31 December. Consequently, there are no comparative figures to be presented in this Condensed Consolidated Cash Flow Statements as the fourth quarter of the previous financial year only consist of 11 months results.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
A1 Basis of Preparation

The quarterly financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard (FRS) 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The quarterly financial statements should be read in conjunction with the Group's audited financial statements for the financial period ended 31 December 2015.

As announced to Bursa Malaysia on 24 February 2016, the Company changed its financial year end from 31 January to 31 December. Accordingly, the comparative amounts are not comparable for the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and the related notes.

A2 Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the audited financial statements for the financial period ended 31 December 2015, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and IC interpretations.

	Effective for financial periods beginning on or after
FRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
Amendments to FRS 7 <i>Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
Amendments to FRS 10 <i>Consolidated Financial Statements</i> , FRS 12 <i>Disclosures of Interests in Other Entities</i> and FRS 128 <i>Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to FRS 11 <i>Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 101 <i>Presentation of Financial Statements – Disclosure Initiative</i>	1 January 2016
Amendments to FRS 116 <i>Property, Plant and Equipment and FRS 138 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 119 <i>Employee Benefits (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016
Amendments to FRS 127 <i>Separate Financial Statements – Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 134 <i>Interim Financial Reporting (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016

A2 Changes in Accounting Policies (continued)

The adoption of the above amendments/improvements to existing standards did not have any significant impact on the financial statements of the Group in the period of initial application.

Malaysian Financial Reporting Standards Framework (“MFRS Framework”)

The Group falls within the scope of IC Interpretation 15, Agreements for the Construction of Real Estate. Therefore, the Group is currently exempted from adopting the Malaysian Financial Reporting Standards (“MFRSs”) and is referred to as a “Transitioning Entity”.

The Group’s financial statements for annual period beginning on 1 January 2018 will be prepared in accordance with the MFRSs issued by the MASB and International Financial Reporting Standards (“IFRSs”).

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 on the hotel operations which may be affected by seasonal factors impacting the occupancy and room rates and the cyclical factors affecting the general Malaysian economy.

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 year’s financial year’s results.

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities since the last annual reporting date.

A8 Dividends Paid

A final single-tier dividend in respect of the financial period ended 31 December 2015 of 0.5% on 5,321,723,500 ordinary shares amounted to RM13.3 million (0.25 sen per ordinary shares) was paid on 15 July 2016.

A9 Segmental Information

Segmental revenue and results for the current financial year:

	Investment holding and Others RM'000	Finance and related services RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External revenue	3,785	30,043	54,865	22,138	479,560	-	590,391
Inter-segment revenue	24,211	26,083	348	-	44,978	(95,620)	-
Total revenue	27,996	56,126	55,213	22,138	524,538	(95,620)	590,391
Other income	511	22,343	8,206	4,665	2,419		38,144
Results							
Net segment results	(16,285)	46,935	29,018	(11,515)	65,130	-	113,283
Foreign exchange gains/(losses)	16,777	10,993	(709)	-	(3,185)	-	23,876
Profit from operations	492	57,928	28,309	(11,515)	61,945	-	137,159
Finance income	418	41,278	569	795	285	-	43,345
Finance costs	(29,635)	(7,014)	(13,665)	(10,948)	(2,971)	-	(64,233)
Share of results in associates	-	-	(253)	-	-	-	(253)
Share of results of joint venture	-	-	-	52,712	-	-	52,712
Profit before tax	(28,725)	92,192	14,960	31,044	59,259	-	168,730
Unallocated corporate expenses							(27,272)
Income tax							15,491
Profit for the period							156,949
Profit attributable to:							
Owners of the Parent							156,949

A10 Subsequent Events

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

Amalgamation of subsidiaries

On 3 January 2017, the Group announced that TA Development One (Canada) Ltd and TA West Georgia Developments Ltd, subsidiaries of the Group have amalgamated to continue as one new company under Section 274 of the Business Corporations Act of British Columbia on 1 January 2017.

A10 Subsequent Events (cont'd)

Amalgamation of subsidiaries (cont'd)

The name of the new company will also be called “TA West Georgia Developments Ltd” (hereinafter referred to as “the new TA West Georgia”). The principal activity of the new TA West Georgia is investment holding.

The shareholder of the new TA West Georgia is TA Canada Holdings Ltd, a subsidiary of the Group. The current issued and paid-up capital of the new TA West Georgia is C\$100.00 divided into one hundred (100) common share of C\$1.00 each issued to TA Canada Holdings Ltd.

Completion of acquisition of Trump International Hotel & Tower Vancouver, and acquisition of West Georgia Holdings Inc.

On 8 February 2017, TA Global announced that Maxfine International Limited (“Maxfine”), a wholly-owned subsidiary of TA Global has completed the acquisition of the Trump International Hotel & Tower Vancouver located at 1151 West Georgia, Vancouver, B.C. Canada from West Georgia Development Limited Partnership, for a total cash consideration of C\$100 million.

Included in the purchase consideration of C\$100 million was the acquisition of 100% equity interest in West Georgia Holdings Inc. (“WGH”) by Maxfine.

WGH was incorporated in British Columbia, Canada under the BC Business Corporations Act on 18 February 1999. The current issued and paid-up capital of WGH is 1 common share. WGH is currently dormant.

A11 Changes in the Composition of the Group

Dissolution of Aava Whistler Hotel Limited

On 26 January 2016, Aava Whistler Hotel Limited, a wholly-owned subsidiary of the Company has been dissolved pursuant to the provision to the Business Corporations Act in Canada.

The dissolution is not expected to have any material financial and operational effect to the Group.

Dissolution of TA Global Trust Pte Ltd.

On 11 April 2016, the Company announced that TA Global Trust Pte Ltd., a wholly-owned foreign subsidiary of the Company has been dissolved pursuant to Section 344 of the Companies Act, Cap.50 in Singapore.

The dissolution is not expected to have any material financial and operational effect to the Group.

Incorporation of foreign subsidiary - TA F&B GP Ltd.

On 12 July 2016, TA F&B GP Ltd. was incorporated under the Business Corporations Act (British Columbia) with the Province of British Columbia Registrar of Companies under the incorporation number of BC1082530.

The principal activity of TA F&B GP Ltd. is as the general partner in the TA F&B Limited Partnership which shall be formed to operate a club.

The shareholder of TA F&B GP Ltd. is TA Management Limited, a subsidiary of the Company. The current issued and paid-up capital of TA F&B GP Ltd. is C\$1.00 divided into one (1) common share of C\$1.00 issued to TA Management Limited.

Formation of Limited Partnership – TA F&B Limited Partnership

TA F&B GP Ltd. and TA Management Limited had on 27 July 2016 formed a Limited Partnership under the name of TA F&B Limited Partnership (the “Partnership”) pursuant to the laws of the Province of British Columbia and pursuant to Section 51 of the Partnership Act of British Columbia, R.S.B.C. 1996, c. 348 as amended from time to time and any re-enactment thereof (“Act”).

A11 Changes in the Composition of the Group (cont'd)

The following units in the Partnership have also been issued with the formation of the Partnership:-

- (a) 100 Class “A” Units to TA Management Limited at C\$1.00 per unit; and
- (b) 1 Class “B” Unit to TA F&B GP Ltd. at C\$1.00 per unit.

Acquisition of a foreign subsidiary – Grace Plus Enterprises Limited

On 27 October 2016, the company acquired 1 share of HK\$1.00 each representing 100% equity in Grace Plus Enterprises Limited (“Grace Plus”), a subsidiary incorporated in Hong Kong, for a total consideration of HK\$1.00. Grace Plus’s principal activity is investment holding.

Incorporation of foreign subsidiary – WG Restaurant GP Ltd.

On 24 November 2016, WG Restaurant GP Ltd. was incorporated under the Business Corporations Act (British Columbia) with the Province of British Columbia Registrar of Companies under the incorporation number of BC1097877.

The principal activity of WG Restaurant GP Ltd. is as the general partner in the WG Restaurant Limited Partnership which shall be formed to operate a restaurant.

The shareholder of WG Restaurant GP Ltd. is TA Management Limited, a subsidiary of the Group. The current issued and paid-up capital of WG Restaurant GP Ltd. is C\$1.00 divided into one (1) common share of C\$1.00 issued to TA Management Limited.

Formation of Limited Partnership – WG Restaurant Limited Partnership

WG Restaurant GP Ltd and TA Management Limited, subsidiaries of the Group had on 25 November 2016 (Pacific Time) formed a Limited Partnership under the name of WG Restaurant Limited Partnership (the “Partnership”) pursuant to the laws of the Province of British Columbia and pursuant to Section 51 of the Partnership Act of British Columbia, R.S.B.C. 1996, c.348 as amended from time to time and any re-enactment thereof (“Act”).

The salient terms of Section 51(2) and 51(4) of the Act is attached herewith in Appendix 1 for your reference.

The following units in the Partnership have also been issued with the formation of the Partnership:-

- (a) 100 Class “A” Units to TA Management Limited at C\$1.00 per unit; and
- (b) 1 Class “B” Unit to WG Restaurant GP Ltd at C\$1.00 per unit.

A12 Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at the end of the current financial year.

A Notice of Additional Assessment (“the Notice”) was raised against the Group’s subsidiary, Merchant Quay Pte. Ltd. (“MQPL”) by the Inland Revenue Authority of Singapore (“IRAS”), in respect of tax payable imposed on the Group financing arrangement under Section 33 of the Singapore Income Tax Act, amounted to SGD9,969,486.

The Group objected the Notice on the ground that provisions in Section 33 is not applicable and the case is under appeal with IRAS. Pending the outcome of the appeal, IRAS has granted MQPL a stand over for the tax payable; accordingly, no provision for tax has been made on this.

A13 Commitments

The amount of capital commitments not provided for as at 31 Dec 2016 were as follow:

	<u>RM'000</u>
Approved and contracted for:-	
- Renovation	5,256
- Development expenditure	77,177
- Hotel acquisition	266,144
	<u>348,577</u>

B1 Performance Analysis of the Group's Operating Segments

	CURRENT QUARTER 31 DEC 2016 RM'000	CURRENT YEAR TO DATE 31 DEC 2016 RM'000
Revenue	186,460	590,391
Other income		
- Realised fair value gain on derivatives	7,829	13,782
- Rental income	617	2,142
- Dividend income from shares quoted outside Malaysia	69	2,331
- Management fee	3,645	4,062
- Others	12,444	15,827
	24,604	38,144
Other expenses		
- Amortisation and depreciation	(24,994)	(78,339)
- Cost of properties and construction materials sold	(2,536)	(21,510)
- Hotel operational and personnel cost	(108,495)	(352,689)
- Personnel cost and others	(36,310)	(87,803)
- Gain/(loss) on disposal/redemption of investment securities	1,654	(16,791)
- Impairment loss on investment securities	(49)	(2,565)
- Fair value gain on investment securities	25,820	18,679
- Unrealised fair value gain on derivatives	959	(1,505)
- Foreign exchange gain	10,476	23,875
	(133,475)	(518,648)
Finance income	15,925	43,345
Finance costs	(16,662)	(64,233)
Share of results in associates	(207)	(253)
Share of results in joint venture	33,936	52,712
Profit before tax	110,581	141,458

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

Due to the change of financial year end from 31 January to 31 December, the Group's results for the preceding year corresponding 12-month period ended 31 Dec 2015 were not available for comparison.

The Group reported revenue of RM186.5 million and profit before tax of RM110.6 million for the current quarter ended 31 Dec 2016.

For the current year-to-date, the Group reported revenue of RM590.4 million and profit before tax of RM141.5 million.

For the current quarter, the Group enjoyed profitability from all of its business divisions. The Group achieved good performance on investment securities through interest income and fair valuation gain, and better share of profits in joint venture. However, profitability of hotel division was affected by foreign exchange translation loss.

For the current year-to-date, all business segments of the Group have recorded profitability except for the Investment holding and others segment.

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

The Group reported profit before tax of RM110.6 million in the current year's fourth quarter as compared to profit before tax of RM32.1 million in the preceding quarter.

The Group's results improved primarily due to higher investment income, fair value gain on investment securities, higher foreign exchange gain and higher share of profits in joint venture.

B3 Prospects for the next financial year

The Malaysia economy is expecting a growth path of 4.3%-4.5% in 2017 despite the challenging economic environment globally and domestically. However, the downside risk to growth will remain, given the continued uncertainty in the global environment and the weakening of the domestic economy and the local currency.

The prospect for each business division is summarized below: -

Finance and related services

The finance and related services shall remain as part of the business strategy for the Group to support the property development and property investment divisions for financial year 2017. The Group will continue to seek investment opportunities to maximise income.

Property investment

For the financial year 2017, the Group is projecting a steady recurring income contribution from the overseas and local property investments.

Property development

Due to the current challenging property outlook in Malaysia, stringent mortgage approvals from the financial institutions and the weak local currency, we anticipate our property sales to soften. However, the Group may launch certain strategically located property development projects in the current year to ride on the next phase of the property cycle.

B3 Prospects for the next financial year (cont'd)

Hotel operations

For the financial year 2017, the Group's hospitality businesses located in Singapore, Australia, Canada, China and Thailand will generate stronger recurring income stream for the Group. Improved results are expected from our hotels in Australia, Singapore and China whereby the refurbishment and upgrading works have been completed in 2016.

The Group will continue to explore and evaluate opportunities to acquire new hotels or 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 2017.

B4 Variance between Actual Profit and Forecast Profit

Not applicable.

B5 Taxation

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

	CURRENT QUARTER	YEAR TO DATE
	RM'000	RM'000
Current tax expense		
Malaysian - current year	2,222	5,373
- prior year	31	535
Foreign - current year	9,066	11,766
- prior year	7,637	7,836
Deferred tax expense		
Origination and reversal of temporary differences	(55,528)	(52,512)
Under provision in prior year	4,338	5,216
Withholding tax	4,438	6,295
	<u>(27,796)</u>	<u>(15,491)</u>

b) A reconciliation between the statutory and effective tax:

	CURRENT QUARTER	YEAR TO DATE
	RM'000	RM'000
Profit before tax	<u>110,581</u>	<u>141,458</u>
Taxation at Malaysian statutory tax rate of 24%	26,539	33,950
Adjustments due to the utilisation of unabsorbed tax losses and capital allowances, income/expenses not subject to tax and others	(54,335)	(49,441)
Income tax for the financial period	<u>(27,796)</u>	<u>(15,491)</u>

B6 Corporate Proposals

Status of Corporate Proposals

There are no outstanding corporate proposals as at the end of the current financial year.

B7 Group Borrowings and Debt Securities

Total Group borrowings as at 31 Dec 2016 were as follows:-

<u>Long term borrowings</u>	SECURED RM'000	UNSECURED RM'000	TOTAL RM'000
Term loans	1,235,352	-	1,235,352
Revolving credit	79,000	-	79,000
	<u>1,314,352</u>	<u>-</u>	<u>1,314,352</u>
 <u>Short term borrowings</u>			
Revolving credit	278,680	106,000	384,680
Other short-term loans	878,782	-	878,782
	<u>1,157,462</u>	<u>106,000</u>	<u>1,263,462</u>
Total borrowings	<u>2,471,814</u>	<u>106,000</u>	<u>2,577,814</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")	163,000	161,600	324,600
Canadian Dollar ("CAD")	324,984	223,494	548,478
Singapore Dollar ("SGD")	476,762	130,165	606,927
Australian Dollar ("AUD")	349,606	61,977	411,583
United States Dollar ("USD")	-	608,120	608,120
Hong Kong Dollar ("HKD")	-	12,791	12,791
Euro ("EUR")	-	51,701	51,701
British Pound ("GBP")	-	13,614	13,614
Total borrowings	<u>1,314,352</u>	<u>1,263,462</u>	<u>2,577,814</u>

B8 Material Litigation

As at 20 February 2017, there were no changes in material litigation since the last financial period ended 31 December 2015.

B9 Dividend

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

B10 Disclosure of derivatives

The Group has entered into geared equity accumulators and decumulators which formed part of the Group's investment portfolio with an objective to maximise the Group's performance.

These contracts were stated at fair values, using valuation technique with market observable inputs. Derivatives with positive market values are included under current assets and derivatives with negative market values are included under current liabilities. Any changes in fair values during the period are taken directly into the income statement.

Types of derivatives/Maturity	Contract/Notional value RM'000	Fair value asset/(liability) RM'000
Geared Equity Accumulators -Less than 1 year	151,639	(1,860)
Geared Equity Decumulators -Less than 1 year	30,467	(2,048)

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 year, other than as disclosed in Note B1 on derivatives.

B12 Disclosure of realised and unrealised profits/ (losses)

The breakdown of retained earnings of the Group as at the reporting date, into realised and unrealised profits pursued to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements were as follows:

	AS AT 31 DECEMBER 2016 RM'000	AS AT 31 DECEMBER 2015 RM'000
Total retained earnings of the Company and its subsidiaries:		
-Realised	1,525,525	1,011,005
-Unrealised	<u>(67,157)</u>	<u>53,744</u>
	1,458,368	1,064,749
Total share of retained earnings of associates:		
-Realised	2,765	3,018
Total share of retained earnings of joint venture:		
- Realised	<u>108,200</u>	<u>55,488</u>
	1,569,333	1,123,255
Less: Consolidation adjustments	<u>(773,839)</u>	<u>(471,405)</u>
Total retained earnings	<u>795,494</u>	<u>651,850</u>

B13 Earnings/ (loss) per share attributable to owners of the Company

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT PERIOD TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-DEC-2016	30-DEC-2015	31-DEC-2016	30-DEC-2015
Basic earnings per share				
Profit for the period - attributable to owners of the Company (RM'000)	138,377	N/A	156,949	N/A
Weighted average number of ordinary shares in issue ('000)	5,321,724	N/A	5,321,724	N/A
Basic earnings per share (sen)	2.60	N/A	2.95	N/A

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
27 February 2017