

HLA HOLDINGS SDN BHD
(Company No. 846141-D)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

HLA HOLDINGS SDN BHD
(Company No.846141-D)
(Incorporated in Malaysia)

CONTENTS	PAGE
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION	1
UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME	2
UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY	3
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS	4 to 5
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS	6 to 11

HLA HOLDINGS SDN BHD
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**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	31.12.2018 RM'000	30.6.2018 RM'000
Non-current assets			
Intangible assets		322	370
Investment in subsidiaries		682,248	599,546
Investment in associated company		618,646	618,646
Available-for-sale ("AFS") financial assets	3	-	11,849
Fair value through profit or loss ("FVTPL") financial assets	4	23,610	-
		1,324,826	1,230,411
Current assets			
Amount due from subsidiary companies		-	80
Amount due from associated company		-	25,485
Cash and cash equivalents		44	344
		44	25,909
Current liabilities			
Other payables and accruals		200	595
Amount due to related companies		-	751
Tax payable		1	1
Total current liabilities		201	1,347
Net assets		1,324,669	1,254,973
Shareholders' equity			
Share capital		314,000	314,000
Reserves		1,010,669	940,973
		1,324,669	1,254,973

The accompanying notes form an integral part of the financial statements.

HLA HOLDINGS SDN BHD
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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

	6 months ended 31.12.2018 RM'000	6 months ended 31.12.2017 RM'000
Revenue	70,202	56,138
Realised losses	(12)	-
Fair value gains	12	-
Other income	6	5
Finance costs	(263)	(461)
Other operating expenses	(246)	(194)
Profit before taxation	69,699	55,488
Taxation	(3)	(1)
Net profit for the financial period	69,696	55,487
Other comprehensive income:		
<u>Item that may be subsequently reclassified to profit and loss:</u>		
Fair value changes on AFS financial assets, net of deferred tax:		
Gross fair value losses arising during the financial period	-	(3)
Net fair value losses	-	(3)
Total comprehensive income for the financial period	69,696	55,484

The accompanying notes form an integral part of the financial statements.

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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

	Issued and fully paid ordinary shares		Non-distributable	Distributable	
	No. of shares '000	Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 July 2017	312,500	314,000	(1)	846,486	1,160,485
Total comprehensive income for the financial period	-	-	(3)	55,487	55,484
At 31 December 2017	<u>312,500</u>	<u>314,000</u>	<u>(4)</u>	<u>901,973</u>	<u>1,215,969</u>
At 1 July 2018	312,500	314,000	- *	940,973	1,254,973
Effects due to adoption of MFRS 9	-	-	- *	- *	-
At 1 July 2018 (Restated)	<u>312,500</u>	<u>314,000</u>	<u>-</u>	<u>940,973</u>	<u>1,254,973</u>
Total comprehensive income for the financial period	-	-	-	69,696	69,696
At 31 December 2018	<u>312,500</u>	<u>314,000</u>	<u>-</u>	<u>1,010,669</u>	<u>1,324,669</u>

* -RM 444.35 transferred from fair value reserve to retained earnings.

The accompanying notes form an integral part of the financial statements.

HLA HOLDINGS SDN BHD
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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	6 months ended 31.12.2018 RM'000	6 months ended 31.12.2017 RM'000
Operating activities		
Net profit for the financial period	69,696	55,487
Adjustments for:		
Dividend income	(70,197)	(56,138)
Interest income	(5)	-
Amortisation charge	48	48
Realised losses on FVTPL financial assets	12	-
Fair value gains on FVTPL financial assets	(12)	-
Finance costs	263	461
Tax expense	3	1
Operating losses before working capital changes	<u>(192)</u>	<u>(141)</u>
Change in working capital:		
Decrease in other payables and accruals	(395)	(187)
Decrease in amount due to holding company	-	(38,600)
Decrease in amount due to related companies	(751)	(744)
Decrease in amount due from subsidiary companies	80	-
Tax paid	(3)	(3)
Net cash outflow from operating activities	<u>(1,261)</u>	<u>(39,675)</u>
Investing activities		
Capital injection to subsidiary companies	(82,702)	-
Dividend income received	95,485	56,000
Interest income received	5	-
Purchase of AFS financial assets	-	(17,120)
Purchase of FVTPL financial assets	(29,556)	-
Proceeds from disposal of AFS financial assets	-	1,299
Proceeds from disposal of FVTPL financial assets	17,992	-
Net cash inflow from investing activities	<u>1,224</u>	<u>40,179</u>

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2018 (CONT'D)

	6 months ended 31.12.2018 RM'000	6 months ended 31.12.2017 RM'000
Financing activities		
Proceeds of advances from holding company	47,000	38,600
Repayment of advances from holding company	(47,000)	(38,600)
Payment of loan interest to holding company	(263)	(461)
Net cash outflow from financing activities	<u>(263)</u>	<u>(461)</u>
Net (decrease)/increase in cash and cash equivalents	(300)	43
Cash and cash equivalents at beginning of the financial period	<u>344</u>	<u>10</u>
Cash and cash equivalents at end of the financial period	<u>44</u>	<u>53</u>
Cash and cash equivalents comprise:		
Cash and bank balances	-	1
Fixed and call deposits with maturity of less than 3 months		
- Licensed financial institutions	44	52
	<u>44</u>	<u>53</u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

1 . BASIS OF PREPARATION

The condensed interim financial statements for the six months ended 31 December 2018 of HLA Holdings Sdn Bhd (“the Company”) are unaudited and have been prepared in accordance with MFRS 134/IAS 34: Interim Financial Reporting and should be read in conjunction with the Company’s audited financial statements for the financial year ended 30 June 2018, which were prepared in accordance with the Malaysian Financial Reporting Standards.

2 . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2018 and modified for the adoption of the following accounting standards applicable for financial period beginning on or after 1 July 2018:

- MFRS 9 ‘Financial Instruments’
- MFRS 15 ‘Revenue from Contracts with Customers’
- IC Interpretation 22 ‘Foreign Currency Transactions and Advance Consideration’

With effect from the financial year beginning on/after 1 July 2018, the Company applies MFRS 9 ‘Financial Instruments’, replacing MFRS 139 ‘Financial Instruments: Recognition and Measurement’, and includes requirements for classification and measurement of financial assets and liabilities and impairment of financial assets. MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. The new standard also introduces expanded disclosure requirements and changes in presentation. Comparatives for 2018 will not be restated. The impact of adoption of MFRS 9 to the Company is disclosed in Note 16.

The adoption of the above new standards and interpretation are not expected to have impact on the financial results of the Company, except for the cumulative impact on the adoption of MFRS 9 which is recognised in the retained earnings as at 1 July 2018.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

3 . AFS FINANCIAL ASSETS

	31.12.2018	30.6.2018
	RM'000	RM'000
At fair value:		
Unit trusts		
- Quoted in Malaysia	-	11,849
	<u> </u>	<u> </u>

4 . FVTPL FINANCIAL ASSETS

	31.12.2018	30.6.2018
	RM'000	RM'000
At fair value:		
Unit trusts		
- Quoted in Malaysia	23,610	-
	<u> </u>	<u> </u>

5 . FAIR VALUE HIERARCHY

Recurring fair value measurements

The table below analyses those financial instruments carried at fair value by their valuation method.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	31.12.2018	30.6.2018
	RM'000	RM'000
<u>AFS financial assets</u>		
Level 1	-	11,849
	<u> </u>	<u> </u>
<u>FVTPL financial assets</u>		
Level 1	23,610	-
	<u> </u>	<u> </u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

6 . ITEMS OF AN UNUSUAL NATURE

The results of the Company for the financial period under review were not substantially affected by any item, transaction or event of a material and unusual nature.

7 . CHANGES IN ESTIMATE

There were no material changes in the basis used for accounting estimates for the financial period under review.

8 . SEASONAL OR CYCLICAL FACTORS

The operations of the Company for the financial period under review were not significantly affected by seasonality or cyclical factors.

9 . CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material contingent liabilities or assets as at the date of this report.

10 . DEBTS AND EQUITY SECURITIES

There were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities during the financial period under review.

11 . DIVIDEND

During the half-year ended 31 December 2018, the Directors have not recommended any dividend to be paid for the period under review.

12 . CHANGES IN THE COMPOSITON OF THE COMPANY

There were no changes in the composition of the Company during the financial period under review.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

13 . RELATED PARTY TRANSACTIONS

All related party transactions are entered into in the normal course of business and were carried out on normal commercial terms.

14 . SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

There were no significant events during the financial period under review.

15 . SUBSEQUENT EVENTS

There were no material events subsequent to the end of the financial period under review that have not been reported in the report.

16 . CHANGE IN ACCOUNTING POLICIES

With effect from the financial year beginning on/after 1 July 2018, the Company applies MFRS 9 'Financial Instruments', replacing MFRS 139 'Financial Instruments: Recognition and Measurement', and includes requirements for classification and measurement of financial assets and liabilities and impairment of financial assets.

The following table analyses the impact of transition on the Statements of Financial Position of the Company from MFRS 139 to MFRS 9 as at 1 July 2018:

	30.6.2018	Classification and measurement	1.7.2018
	RM'000	RM'000	RM'000
Non-current assets			
Intangible assets	370	-	370
Investment in subsidiaries	599,546	-	599,546
Investment in associated company	618,646	-	618,646
AFS financial assets	11,849	(11,849)	-
FVTPL financial assets	-	11,849	11,849
	<u>1,230,411</u>	<u>-</u>	<u>1,230,411</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

16 . CHANGE IN ACCOUNTING POLICIES (CONT'D)

The following table analyses the impact of transition on the Statements of Financial Position of the Company from MFRS 139 to MFRS 9 as at 1 July 2018: (cont'd)

	30.6.2018	Classification and measurement	1.7.2018
	RM'000	RM'000	RM'000
Current assets			
Amount due from subsidiary companies	80	-	80
Amount due from associated company	25,485	-	25,485
Cash and cash equivalents	344	-	344
	<u>25,909</u>	<u>-</u>	<u>25,909</u>
Current liabilities			
Other payables and accruals	595	-	595
Amount due to related companies	751	-	751
Tax payable	1	-	1
Total current liabilities	<u>1,347</u>	<u>-</u>	<u>1,347</u>
Net assets	<u>1,254,973</u>	<u>-</u>	<u>1,254,973</u>
Shareholders' equity			
Share capital	314,000	-	314,000
Reserves	940,973	-	940,973
	<u>1,254,973</u>	<u>-</u>	<u>1,254,973</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

16 . CHANGE IN ACCOUNTING POLICIES (CONT'D)

The following table analyses the impact of transition on the Statements of Financial Position of the Company from MFRS 139 to MFRS 9 as at 1 July 2018: (cont'd)

	RM'000
AFS financial assets	
Closing balance under MFRS 139 as at 30 June 2018	11,849
- redesignation to FVTPL financial assets	(11,849)
	<hr/>
Opening balance under MFRS 9 as at 1 July 2018	-
	<hr/>
FVTPL financial assets	
Closing balance under MFRS 139 as at 30 June 2018	-
- redesignation from AFS financial assets	11,849
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Opening balance under MFRS 9 as at 1 July 2018	11,849
	<hr/>
Reserves	
Closing balance under MFRS 139 as at 30 June 2018	940,973
- transfer from fair value reserve *	-
- transfer to retained earnings *	-
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Opening balance under MFRS 9 as at 1 July 2018	940,973
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* -RM 444.35 transferred from fair value reserve to retained earnings.