

Interim Financial Report for the three months ended 30 September 2013

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Note:

M1 to M12 are explanatory notes in accordance with FRS134.

K1 to K15 are explanatory notes in accordance with paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

Condensed Consolidated Income Statements

(The figures have not been audited)

	Current Year Quarter 30.09.2013 RM' 000	Preceding Year Quarter 30.09.2012 RM' 000	Current Year To Date 30.09.2013 RM' 000	Preceding Year To Date 30.09.2012 RM' 000
Revenue	281,833	241,190	776,674	724,914
Cost of sales	(119,866)	(79,616)	(314,146)	(251,779)
Gross profit	161,967	161,574	462,528	473,135
Other operating income	15,433	25,748	27,312	51,102
Administrative expenses	(57,383)	(91,604)	(165,538)	(193,566)
Other operating expenses	(1,654)	(11,326)	(8,168)	(26,937)
Profit from operations	118,363	84,392	316,134	303,734
Finance income	12,244	7,842	33,656	15,835
Finance costs	(17,768)	(15,796)	(55,460)	(45,859)
Share of after-tax results of associates	4,602	8,863	20,873	11,861
Profit before tax	117,441	85,301	315,203	285,571
Less tax:				
Company and subsidiaries	(33,633)	(51,080)	(74,933)	(112,958)
Profit for the period	83,808	34,221	240,270	172,613
Attributable to:				
Equity holders of the Company	57,160	37,499	166,251	150,920
Non-controlling interests	26,648	(3,278)	74,019	21,693
	83,808	34,221	240,270	172,613
Earnings per share (sen)				
- basic	4.08	2.58	11.86	10.39
- diluted ^{note 1}	na	na	na	na
Dividends per ordinary share (sen)	-	-	-	-

Note 1:

Computation of diluted earnings per share was not applicable as there were no outstanding shares to be issued.

Condensed Consolidated Statements of Comprehensive Income

(The figures have not been audited)

	Current Year Quarter 30.09.2013 RM' 000	Preceding Year Quarter 30.09.2012 RM' 000	Current Year To Date 30.09.2013 RM' 000	Preceding Year To Date 30.09.2012 RM' 000
Profit for the period	83,808	34,221	240,270	172,613
Other comprehensive income:				
Exchange differences on translating foreign operations:				
Equity holders	1,460	163	(1,477)	534
Non-controlling interests	(60)	194	(184)	147
Total comprehensive income for the period, net of tax	<u>85,208</u>	<u>34,578</u>	<u>238,609</u>	<u>173,294</u>
Total comprehensive income attributable to:				
Equity holders of the Company	58,620	37,662	164,774	151,454
Non-controlling interests	<u>26,588</u>	<u>(3,084)</u>	<u>73,835</u>	<u>21,840</u>
	<u>85,208</u>	<u>34,578</u>	<u>238,609</u>	<u>173,294</u>

Condensed Consolidated Statements of Financial Position
(The figures have not been audited)

	30.09.2013 RM '000	Audited 31.12.2012 RM '000
Capital and reserves attributable to the Company's equity holders		
Share capital	745,148	745,148
Share premium	404,112	404,112
Treasury shares	(256,234)	(157,015)
Revaluation and other reserves	331,534	515,929
Retained earnings	2,914,733	2,632,468
	4,139,293	4,140,642
Non-controlling interests	199,147	599,801
TOTAL EQUITY	4,338,440	4,740,443
Represented by:		
Non current assets		
Property, plant and equipment	2,010,291	1,829,596
Long term prepaid lease	3,728	3,703
Investment properties	2,145,606	1,965,079
Land held for property development	205,957	248,059
Investments in associates	365,611	355,784
Deferred tax assets	1,649	5,893
Goodwill	19,164	19,164
Cash and bank balances	95,000	95,000
	4,847,006	4,522,278
Current assets		
Property development costs	274,401	229,131
Inventories	82,674	62,461
Financial assets at fair value through profit or loss	415	504
Trade and other receivables	196,876	209,600
Amounts owing by associates	80,436	59,080
Amount owing by a jointly controlled entity	-	-
Tax recoverable	273	3,522
Cash held in Housing Development Accounts	27,634	5,259
Cash and bank balances	1,020,967	2,022,372
	1,683,676	2,591,929
Less: Current liabilities		
Trade and other payables	359,733	352,531
Amounts owing to associates	4,097	22,487
Borrowings	145,464	263,312
Current tax payable	75,777	59,148
	585,071	697,478
Net current assets	1,098,605	1,894,451
Less: Non current liabilities		
Trade and other payables	11,778	55,178
Borrowings	1,400,000	1,433,382
Deferred tax liabilities	195,393	187,726
	1,607,171	1,676,286
	4,338,440	4,740,443

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2013

(The figures have not been audited)

	Attributable to equity holders						Non-controlling Interests	Total RM '000	
	Issued and fully paid ordinary shares of RM0.50 each	Nominal value RM '000	Number of shares '000	Treasury Shares ordinary shares of RM0.50 each	Nominal value RM '000	Share premium RM '000			Revaluation and other reserves RM '000
At 1 January 2013	1,490,296	745,148	(71,831)	(157,015)	404,112	515,929	2,632,468	599,801	4,740,443
Total comprehensive income for the period	-	-	-	-	-	(184,395)	349,169	73,835	238,609
Share buy-back	-	-	(40,514)	(99,219)	-	-	-	-	(99,219)
Capital reduction in a subsidiary	-	-	-	-	-	-	5,098	(494,349)	(489,251)
Other transactions with subsidiaries	-	-	-	-	-	-	7,285	77,589	84,874
Dividend paid	-	-	-	-	-	-	(79,287)	(57,729)	(137,016)
At 30 September 2013	1,490,296	745,148	(112,345)	(256,234)	404,112	331,534	2,914,733	199,147	4,338,440

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2012
(The figures have not been audited)

	Attributable to equity holders										Non-controlling Interests
	Issued and fully paid ordinary shares of RM0.50 each		Treasury Shares ordinary shares of RM0.50 each		Non-distributable		Distributable		Retained earnings		
	Number of shares '000	Nominal value RM '000	Number of shares '000	Nominal value RM '000	Share premium RM '000	Revaluation and other reserves RM '000	Share premium RM '000	Retained earnings RM '000	Share premium RM '000	Retained earnings RM '000	Total RM '000
At 1 January 2012	1,490,296	745,148	(29,307)	(49,021)	404,112	618,537	1,705,224	220,577	3,644,577		
Total comprehensive income for the period	-	-	-	-	-	(105,358)	256,812	21,840	173,294		
Share buy-back	-	-	(31,138)	(81,085)	-	-	-	-	(81,085)		
Dilution of equity in a subsidiary which does not result in a change in control	-	-	-	-	-	-	632,737	461,294	1,094,031		
Cancellation of treasury shares by a subsidiary	-	-	-	-	-	-	100	-	100		
Dividends	-	-	-	-	-	-	(27,543)	(10,858)	(38,401)		
At 30 September 2012	1,490,296	745,148	(60,445)	(130,106)	404,112	513,179	2,567,330	692,853	4,792,516		

Condensed Consolidated Cash Flow Statements
(The figures have not been audited)

	30.09.2013 RM '000	30.09.2012 RM '000
Operating activities		
Receipts from customers	818,259	794,715
Payments to contractors, suppliers and employees	(365,707)	(515,677)
Cash flow from operations	452,552	279,038
Interest paid	(67,712)	(50,421)
Income taxes paid	(45,256)	(61,576)
Net cash generated from operating activities	339,584	167,041
Investing activities		
Interest received	32,107	15,835
Proceeds from disposal of an associate	-	114,325
Proceeds from dilution of equity in a subsidiary	-	837,500
Acquisition of a subsidiary	-	(101,140)
Proceeds from disposal of financial assets	-	23,444
Purchase of property, plant and equipment	(410,167)	(119,295)
Dividends received from associates	-	18,915
Dividends paid to non-controlling interests of a subsidiary	(88,222)	-
Capital repayment to non-controlling interests of a subsidiary	(505,757)	-
Repayments/(advances) from/(to) associates	(39,810)	(176,729)
Net cash used in investing activities	(1,011,849)	612,855
Financing activities		
Purchase of treasury shares	(100,461)	(81,085)
Repayment of bank borrowings, net of receipts	(132,500)	731,559
Dividend paid	(79,287)	(27,385)
Net cash used in financing activities	(312,248)	623,089
Foreign currencies exchange difference	5,483	(2,904)
Net decrease in cash and cash equivalents	(979,030)	1,400,081
Cash and cash equivalents at beginning of financial year	2,122,631	844,604
Cash and cash equivalents at end of period	1,143,601	2,244,685

**Explanatory notes to the Interim Financial Statements
for the three months ended 30 September 2013**

M1 Basis of preparation

This Interim Financial Report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard 134 – “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and paragraph 9.22 together with Part A, Appendix 9B of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements, and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2012.

This Interim Financial Report has been prepared based on accounting policies and methods of computation which are consistent with those adopted for the annual audited financial statements for the year financial ended 31 December 2012 except for the adoption of the following Financial Reporting Standards (“FRSs”), revised FRSs and Amendments to FRSs that are applicable for the current financial year:

(Effective for annual periods beginning on or after 1 January 2013)

- Amendment to FRS 7 Financial instruments: Disclosures
- FRS 10 Consolidated Financial Statements
- FRS 11 Joint Arrangements
- FRS 12 Disclosures of Interests in Other Entities
- FRS 13 Fair Value Measurement
- Revised FRS 127 Separate Financial Statements
- Revised FRS 128 Investments in Associates and Joint Ventures
- Amendment to FRS 101 Presentation of Items of Other Comprehensive Income
- Amendment to FRS 119 Employee Benefits

The adoption of the above revised FRS and Amendment to FRS did not have any material impact on the financial statements of the Group.

M2 Qualification

The Audit Report of the Group’s annual financial statements for the financial year ended 31 December 2012 was not subject to any audit qualification.

M3 Seasonality or cyclical

The Group’s operations were not materially affected by seasonal or cyclical factors.

M4 Significant unusual items

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flows other than those disclosed elsewhere in these notes.

M5 Material changes in estimates

Not applicable.

M6 Debt and equity securities

Shares repurchased during the current financial year to-date were as follows:

Date	No. of shares	Lowest Price RM	Highest Price RM	Cost RM
As at 31 December 2012	71,830,767			157,014,548
Purchased in 2013:				
January	2,520,700	2.31	2.40	5,921,792
February	5,147,100	2.25	2.34	11,809,728
March	3,743,900	2.19	2.34	8,407,732
As at 31 March 2013	83,242,467			183,153,800
April	2,490,800	2.24	2.39	5,833,286
May	1,740,000	2.32	2.37	4,090,254
June	5,534,700	2.36	2.59	13,409,206
As at 30 June	93,007,967			206,486,546
July	2,524,500	2.44	2.55	6,370,029
August	7,089,900	2.41	2.63	18,090,933
September	9,721,900	2.50	2.63	25,286,142
As at 30 September	112,344,267			256,233,650
October	7,005,000	2.60	2.68	18,639,411
Purchased from 1 - 28 November	6,148,400	2.41	2.72	16,598,301
As at 28 November 2013	125,497,667			291,471,362

The number of treasury shares held as at 30 September 2013 was 112,344,267 ordinary shares of RM0.50 each.

The number of treasury shares held as at 28 November 2013 was 125,497,667 ordinary shares of RM0.50 each.

Other than the above, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy backs and share cancellations for the current financial period.

M7 Dividends paid

An interim dividend of 15% less tax at 25% for the financial year ended 31 December 2012 was paid on 8 April 2013.

M8 Segment Reporting

Business segments	Property development RM '000	Property investment RM '000	Hotel RM '000	Construction RM '000	Others RM '000	Group RM '000
9 months ended 30 September 2013						
Revenue						
Total revenue	92,883	432,966	270,668	138,177	36,496	971,190
Intersegment revenue	-	(33,247)	(6,254)	(132,254)	(22,761)	(194,516)
External revenue	<u>92,883</u>	<u>399,719</u>	<u>264,414</u>	<u>5,923</u>	<u>13,735</u>	<u>776,674</u>
Results						
Segment results (external)	57,458	212,641	72,006	947	(4,193)	338,859
Finance income						33,656
Unallocated expense						(22,725)
Profit from operations						349,790
Finance costs						(55,460)
Share of after-tax results of associates	6,070	(369)	14,900	-	272	20,873
Profit from ordinary activities before tax						315,203
Tax-Company and subsidiaries						(74,933)
Profit for the period						<u>240,270</u>
Attributable to:						
Equity holders of the Company						166,251
Non-controlling interests						74,019
						<u>240,270</u>

Unallocated expenses relates to head-office general administrative expenses that arise at the Group level and relate to the Group as a whole.

M8 Segment Reporting (continued..)

Business segments	Property development RM '000	Property investment RM '000	Hotel RM '000	Construction RM '000	Others RM '000	Group RM '000
9 months ended 30 September 2012						
Revenue						
Total revenue	84,641	376,216	236,779	121,613	28,534	847,783
Intersegment revenue	-	(15,595)	(4,954)	(83,753)	(18,567)	(122,869)
External revenue	<u>84,641</u>	<u>360,621</u>	<u>231,825</u>	<u>37,860</u>	<u>9,967</u>	<u>724,914</u>
Results						
Segment results (external)	62,968	182,545	77,174	1,660	940	325,287
Unallocated income						15,835
Unallocated expense						(21,554)
Profit from operations						319,568
Finance costs						(45,859)
Share of after-tax results of associates	1,694	452	4,022	-	5,694	11,862
Profit from ordinary activities before tax						285,571
Tax-Company and subsidiaries						(112,958)
Profit for the period						<u>172,613</u>
Attributable to:						
Equity holders of the Company						150,920
Non-controlling interests						21,693
						<u>172,613</u>

Unallocated income represents interest income while unallocated expenses relates to head-office general administrative expenses that arise at the Group level and relate to the Group as a whole.

M9 Valuations

Valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

M10 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period up to the date of this report.

M11 Changes in the composition of the Group

On 5 March 2013, the Company announced to Bursa Malaysia the acquisition of the entire issued and paid-up share capital of 2 ordinary shares of RM1.00 each in a company incorporated in Malaysia known as The Gardens Theatre Sdn Bhd ("TGT") for cash consideration of RM2.00. The intended principal activities of TGT are to engage in organizing and coordinating the production, management and performance of plays, dramas, stage, theatre and other amusements and entertainment of every kind.

On 15 March 2013, the Company announced to Bursa Malaysia that the Company had on 15 March 2013 entered into 2 Share Sale Agreements with KrisAssets Holdings Berhad for the acquisitions of the entire issued and paid-up share capital of Mid Valley City Sdn Bhd ("MVC") and Mid Valley City Gardens Sdn Bhd ("MVCG") for cash consideration of RM100,000.00 each. MVC and MVCG are service providers for IGB Real Estate Investment Trust.

On 10 April 2013, the Company announced to Bursa Malaysia the acquisition of the entire issued and paid-up share capital of 2 ordinary shares of RM1.00 each in a company incorporated in Malaysia known as Megan Prestasi Sdn Bhd ("MPSB") for cash consideration of RM2.00. The intended principal activities of MPSB are property development and property investment.

On 19 June 2013, the Company announced to Bursa Malaysia the proposed acquisition by MPSB of 1,000,001 ordinary shares of RM1.00 each in Distinctive Ace Sdn Bhd ("DASB") representing 50% and 1 share of the issued and paid-up share capital of DASB for a purchase consideration of RM33,000,000.00.

On 25 October 2013, the Company announced to Bursa Malaysia that Pacific Land Sdn Bhd ("PLSB"), a wholly-owned subsidiary of the Company, had on even date acquired the entire issued and paid-up share capital of Eastwind Alliance Sdn Bhd ("EASB") comprising 2 ordinary shares of RM1.00 each fully paid at par, making it a wholly-owned subsidiary of PLSB.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 December 2012.

K1 Review of performance

For the three months ended 30 September 2013, Group revenue increased by 17% to RM281.8 million when compared to the corresponding period in 2012 of RM241.2 million arising from higher contributions from all operating divisions.

Accordingly, Group pre-tax profit increased by 38% to RM117.4 million when compared to pre-tax profit of RM85.3 million achieved in the corresponding period in 2012 due to higher contributions from the Property Development and Property Investment divisions.

K2 Comparison with immediate preceding quarter

Group revenue for the three months ended 30 September 2013 increased by 12% to RM281.8 million when compared to Group revenue of RM251.8 million for the three months ended 30 June 2013 due to higher contributions from Property Development and Hotel divisions.

Accordingly, Group pre-tax profit increased by 7% to RM117.4 million when compared to the RM110.2 million reported in the immediate preceding quarter mainly attributable to higher contribution from the Property Development division.

K3 Prospects for 2013

Operating results for the first nine months of Financial Year 2013 were better when compared to the corresponding period of Financial Year 2012 with a 7% increase in Group turnover achieved to RM776.7 million from RM724.9 million as well as a 39% increase in Net Profit to RM240.3 million from RM172.6 million.

In the Property Development division, close to 96% of the available 474 units of service apartments at G Residence have been sold with total sales value of about RM363 million. Over at Sierramas, the Garden Manor development with 41 units of strata villas were completed and handed-over to purchasers in January 2013 and the Seri Ampang Hilir condominiums were completed and handed-over to purchasers in July 2013. In September 2013, the Group launched a new 166-units service apartment project known as Three28 Tun Razak with an expected total Gross Development Value of RM96 million as well as another 41 units of strata bungalows at Sierramas called Park Manor with expected total Gross Development Value of RM97 million.

In the Property Investment division, total revenue achieved for the nine months to 30 September 2013 was RM400 million compared to RM361 million in 2012, an increase of 11%. The Group's retail division, represented by IGB REIT, the owner of Mid Valley Megamall and The Gardens Mall reported total revenue and net property income of RM316 million and RM213 million respectively and achieved a profit before taxation of RM154 million whilst total rental income from the Group's office buildings have increased by 4% when compared to the same period in 2012.

In the Hotel division, total turnover achieved by the Group's hotels including associates was RM352 million, an increase of 9% when compared to the RM323 million achieved for the same period in 2012. Except for two overseas hotels, all the other hotels in the Group achieved higher average room rates during the period under review when compared to the previous year.

The Board is confident that the Group's operational results for the current financial year should show an improvement over the previous financial year.

K4 Profit forecast/profit guarantee

The Group did not issue any profit forecast or profit guarantee.

K5 Tax

	Current quarter ended 30.09.2013 RM '000	Cumulative current Year-To-Date ended 30.09.2013 RM '000
Malaysian income tax		
- Company and subsidiaries	33,187	67,297
Over provision in previous year	(2,434)	(3,734)
Transferred from deferred tax	3,315	9,799
	<u>34,068</u>	<u>73,362</u>
Overseas tax		
- Company and subsidiaries	(435)	1,571
	<u><u>33,633</u></u>	<u><u>74,933</u></u>

The effective tax rate of the Group for the current quarter as well as for the financial year to-date was higher than the statutory tax rate as certain expenses were not deductible for tax purposes.

K6 Unquoted investments

There was no sale of unquoted investments for the current quarter and financial year to-date.

K7 Financial assets at fair value

Total financial assets at fair value as at 30 September 2013 were as follows:

	RM '000
Total financial assets at cost	<u>1,114</u>
Total financial assets at fair value (after provision for diminution in value)	<u>415</u>
Total financial assets at market value at 30 September 2013	<u><u>415</u></u>

K8 Corporate proposals

No corporate proposals have been announced during the financial quarter under review.

K9 Group borrowings and debt securities

Group borrowings as at 30 September 2013 were as follows:

	RM '000
Long term borrowings:	
Secured	
Term Loan	1,400,000
Short term borrowings:	
Secured	
Term Loan	90,464
Revolving credit	55,000
TOTAL	<u>1,545,464</u>
Capital and reserves attributable to equity holders of the Company	<u>4,139,293</u>

K10 Financial instruments

The Group does not have any financial instruments with off-balance sheet risk. With the adoption of FRS 139, off-balance sheet financial instruments will be recognized in the balance sheet.

K11 Material litigation

There was no pending material litigation as at the date of this report which exceeds 5% of the net assets of the Group.

K12 Proposed dividend

An Interim Dividend of 10% less tax is declared for the financial year ending 31 December 2013 and will be paid on 24 December 2013 to every member who is entitled to receive the dividend at 4.00 p.m. on 16 December 2013.

	Interim 2013	Interim 2012
Per ordinary share (sen)	5.0	7.5
Net dividend (RM'000)	51,180	79,357
Date payable/paid	24 December 2013	8 April 2013

K13 Earnings per share

		Current Quarter ended 30.09.2013	Preceding Year Quarter ended 30.09.2012	Current Year To Date ended 30.09.2013	Preceding Year To Date ended 30.09.2012
Profit for the period	RM '000	<u>57,160</u>	<u>37,499</u>	<u>166,251</u>	<u>150,920</u>
Weighted average number of ordinary shares in issue	'000	<u>1,402,064</u>	<u>1,452,723</u>	<u>1,402,064</u>	<u>1,452,723</u>
Basic earnings per share	sen	<u><u>4.08</u></u>	<u>2.58</u>	<u><u>11.86</u></u>	<u>10.39</u>

Note: Computation of diluted earnings for share is not applicable as there are no outstanding shares to be issued.

K14 Realised and unrealised retained earnings

	As at 30.09.2013 RM '000	As at 31.12.2012 RM '000
Total retained earnings		
i) Company and subsidiaries		
- realised profit	3,224,619	2,876,735
- unrealised loss	(198,516)	(197,281)
	3,026,103	2,679,454
ii) Associates		
- realised profit	199,628	230,325
- unrealised profit	2,594	3,339
	202,222	233,664
iii) Group consolidation adjustments	(313,592)	(280,650)
Total Group retained earnings as per unaudited consolidated statement of financial position	<u><u>2,914,733</u></u>	<u>2,632,468</u>

K15 Authorisation for issue

This Interim Financial Report was authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 29 November 2013.