

Interim Financial Report for the three months ended 30 September 2014

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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 30.09.2014 RM' 000 | Preceding Year Quarter 30.09.2013 RM' 000 | Current Year- To-Date 30.09.2014 RM' 000 | Preceding Year- To-Date 30.09.2013 RM' 000 |
|---|--|---|---|--|
| Revenue | 291,400 | 281,833 | 880,531 | 776,674 |
| Cost of sales | (124,764) | (119,866) | (371,955) | (314,146) |
| Gross profit | 166,636 | 161,967 | 508,576 | 462,528 |
| Other operating income | 34,264 | 15,433 | 47,439 | 27,312 |
| Administrative expenses | (52,875) | (57,383) | (166,896) | (165,538) |
| Other operating expenses | (48,020) | (1,654) | (52,049) | (8,168) |
| Profit from operations | 100,005 | 118,363 | 337,070 | 316,134 |
| Finance income | 6,408 | 12,244 | 25,932 | 33,656 |
| Finance costs | (20,664) | (17,768) | (61,302) | (55,460) |
| Share of after-tax results of associates and joint venture | 5,174 | 4,602 | 16,889 | 20,873 |
| Profit before tax | 90,923 | 117,441 | 318,589 | 315,203 |
| Less tax: | | | | |
| Company and subsidiaries | (21,941) | (33,633) | (69,234) | (74,933) |
| Profit for the period | 68,982 | 83,808 | 249,355 | 240,270 |
| Attributable to: | | | | |
| Equity holders of the Company | 34,204 | 57,160 | 159,111 | 166,251 |
| Non-controlling interests | 34,778 | 26,648 | 90,244 | 74,019 |
| | 68,982 | 83,808 | 249,355 | 240,270 |
| Earnings per share (sen) | | | | |
| - basic | 2.55 | 4.08 | 11.87 | 11.86 |
| - diluted ^{note 1} | na | na | na | na |
| Dividends per ordinary share (sen) | - | - | - | - |

Note 1:

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

Condensed Consolidated Statements of Comprehensive Income
(The figures have not been audited)

| | Current Year Quarter 30.09.2014 RM' 000 | Preceding Year Quarter 30.09.2013 RM' 000 | Current Year- To-Date 30.09.2014 RM' 000 | Preceding Year- To-Date 30.09.2013 RM' 000 |
|--|--|---|---|--|
| Profit for the period | 68,982 | 83,808 | 249,355 | 240,270 |
| Other comprehensive income: | | | | |
| Exchange differences on translating foreign operations: | | | | |
| Equity holders | (5,321) | 1,460 | (4,958) | (1,477) |
| Non-controlling interests | 19 | (60) | 38 | (184) |
| Total comprehensive income for the period, net of tax | <u>63,680</u> | <u>85,208</u> | <u>244,435</u> | <u>238,609</u> |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 28,883 | 58,620 | 154,154 | 164,774 |
| Non-controlling interests | <u>34,797</u> | <u>26,588</u> | <u>90,281</u> | <u>73,835</u> |
| | <u>63,680</u> | <u>85,208</u> | <u>244,435</u> | <u>238,609</u> |

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

| | 30.09.2014 RM '000 | <i>Audited</i> 31.12.2013 RM '000 |
|--|-------------------------------------|---|
| Capital and reserves attributable to the Company's equity holders | | |
| Share capital | 682,399 | 682,399 |
| Share premium | 112,641 | 112,641 |
| Treasury shares | (81,088) | (17,439) |
| Revaluation and other reserves | 639,581 | 648,927 |
| Retained earnings | 3,107,352 | 2,988,803 |
| | 4,460,885 | 4,415,331 |
| Non-controlling interests | 155,279 | 77,322 |
| TOTAL EQUITY | 4,616,164 | 4,492,653 |
| Represented by: | | |
| Non current assets | | |
| Property, plant and equipment | 2,373,455 | 2,347,321 |
| Long term prepaid lease | 3,504 | 3,697 |
| Investment properties | 2,299,052 | 2,175,094 |
| Land held for property development | 258,118 | 238,549 |
| Investments in associates and joint ventures | 463,128 | 390,598 |
| Deferred tax assets | 7,602 | 1,649 |
| Goodwill | 19,164 | 19,164 |
| Cash and bank balances | 477,286 | 95,000 |
| | 5,901,309 | 5,271,072 |
| Current assets | | |
| Property development costs | 296,098 | 300,883 |
| Inventories | 79,798 | 82,710 |
| Financial assets at fair value through profit or loss | 396 | 394 |
| Trade and other receivables | 270,518 | 221,352 |
| Amounts owing by associates and joint ventures | 417,914 | 76,708 |
| Amounts owing by related companies | 29 | 22 |
| Tax recoverable | 5,812 | 3,053 |
| Cash held in Housing Development Accounts | 38,264 | 32,984 |
| Cash and bank balances | 623,065 | 942,569 |
| | 1,731,894 | 1,660,675 |
| Less: Current liabilities | | |
| Trade and other payables | 419,890 | 471,214 |
| Amounts owing to associates | 2,697 | 4,107 |
| Borrowings | 560,890 | 163,460 |
| Current tax payable | 126,979 | 67,690 |
| | 1,110,456 | 706,471 |
| Net current assets | 621,438 | 954,204 |
| Less: Non current liabilities | | |
| Trade and other payables | 58,114 | 65,692 |
| Borrowings | 1,575,927 | 1,394,909 |
| Deferred tax liabilities | 272,542 | 272,022 |
| | 1,906,583 | 1,732,623 |
| | 4,616,164 | 4,492,653 |

IGB Corporation Berhad (5745-A)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2014

(The figures have not been audited)

| | Attributable to equity holders | | | | | | Non-controlling | Total | |
|---|--|-----------------------------|--|-----------------------------|------------------|--------------------------------------|----------------------|----------------|------------------|
| | Issued and fully paid ordinary shares of RM0.50 each | | Treasury Shares ordinary shares of RM0.50 each | | Share premium | Revaluation and other reserves | Retained earnings | | Interests |
| | Number of shares '000 | Nominal value RM '000 | Number of shares '000 | Nominal value RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 |
| At 1 January 2014 | 1,364,798 | 682,399 | (6,436) | (17,439) | 112,641 | 648,927 | 2,988,803 | 77,322 | 4,492,653 |
| Total comprehensive income for the period | - | - | - | - | - | (9,346) | 163,500 | 90,281 | 244,435 |
| Share buy-back | - | - | (23,463) | (63,649) | - | - | - | - | (63,649) |
| Changes in ownership interest in existing subsidiaries | - | - | - | - | - | - | (11,252) | 52,498 | 41,246 |
| Dividend paid | - | - | - | - | - | - | (33,699) | (64,822) | (98,521) |
| Total transactions with equity holders | - | - | (23,463) | (63,649) | - | - | (44,951) | (12,324) | (120,924) |
| At 30 September 2014 | 1,364,798 | 682,399 | (29,899) | (81,088) | 112,641 | 639,581 | 3,107,352 | 155,279 | 4,616,164 |

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 | Total | |
|---|--|-----------------------|--|-----------------------|-----------------------|--|---------------------------|-----------|-----------|
| | Issued and fully paid ordinary shares of RM0.50 each | | Treasury Shares ordinary shares of RM0.50 each | | Non-distributable | Distributable | Interests | | |
| | 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 | Retained earnings RM '000 | | 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 Cash Flow Statements
(The figures have not been audited)

| | 30.09.2014 | 30.09.2013 |
|--|-------------------|-------------|
| | RM '000 | RM '000 |
| Operating activities | | |
| Receipts from customers | 886,093 | 818,259 |
| Payments to contractors, suppliers and employees | (499,476) | (365,707) |
| Cash flow from operations | 386,617 | 452,552 |
| Interest paid | (67,827) | (67,712) |
| Income taxes refunded/(paid) | (15,628) | (45,256) |
| Net cash generated from operating activities | 303,162 | 339,584 |
| Investing activities | | |
| Interest received | 27,653 | 32,107 |
| Additions to property, plant and equipment | (264,319) | (410,167) |
| Investment in associates and joint ventures | (56,962) | - |
| Dividends paid to non-controlling interests of a subsidiary | (125,159) | (88,222) |
| Cash arising from dilution of equity in a subsidiary | 40,597 | - |
| Capital repayment to non-controlling interests of a subsidiary | - | (505,757) |
| Repayments/(advances) from/(to) associates and joint ventures | (342,617) | (39,810) |
| Net cash used in investing activities | (720,807) | (1,011,849) |
| Financing activities | | |
| Purchase of treasury shares | (66,042) | (100,461) |
| Receipt of bank borrowings, net of repayments | 584,973 | (132,500) |
| Deposits pledged with licensed banks | (382,286) | - |
| Dividend paid | (33,699) | (79,287) |
| Net cash used in financing activities | 102,946 | (312,248) |
| Foreign currencies exchange difference | 474 | 5,483 |
| Net decrease in cash and cash equivalents | (314,225) | (979,030) |
| Cash and cash equivalents at 1 January | 948,117 | 2,122,631 |
| Cash and cash equivalents at 30 September | 633,892 | 1,143,601 |

**Explanatory notes to the Interim Financial Statements
for the three months ended 30 September 2014**

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 2013.

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 financial year ended 31 December 2013 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 2014)

- Amendment to FRS 132 Financial instruments: Presentation
- Amendments to FRS 10 Consolidated Financial Statements
- Amendments to FRS 12 Disclosures of Interests in Other Entities
- Amendments to FRS 127 Separate Financial Statements
- IC Interpretation 21 Levies
- Amendments to FRS 9 Financial instruments – classification and measurement of Financial assets and financial liabilities

The adoption of the above Amendments to FRS and IC Interpretation 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 2013 was not subject to any audit qualification.

M3 Seasonality or cyclicality

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 as 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:

| Month | No. of shares | Lowest Price RM | Highest Price RM | Cost RM |
|-----------------------------|----------------------|------------------------|-------------------------|-------------------|
| As at 31 December 2013 | 6,436,100 | | | 17,438,800 |
| Purchased in January 2014 | 9,119,800 | 2.67 | 2.72 | 24,813,708 |
| Purchased in February 2014 | 1,208,200 | 2.57 | 2.65 | 3,186,873 |
| Purchased in March 2014 | 4,022,300 | 2.56 | 2.71 | 10,792,501 |
| As at 31 March 2014 | 20,786,400 | | | 56,231,882 |
| Purchased in April 2014 | 5,462,500 | 2.69 | 2.75 | 14,853,455 |
| Purchased in May 2014 | 3,640,700 | 2.71 | 2.75 | 9,974,929 |
| Purchased in June 2014 | 10,000 | 2.72 | 2.72 | 27,399 |
| As at 30 June 2014 | 29,899,600 | | | 81,087,665 |
| Purchased in July 2014 | - | - | - | - |
| Purchased in August 2014 | - | - | - | - |
| Purchased in September 2014 | - | - | - | - |
| As at 30 September 2014 | 29,899,600 | | | 81,087,665 |

The number of treasury shares held as at 25 November 2014 was 29,889,600 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

A Second Interim Dividend of 5% single tier for the financial year ended 31 December 2013 was paid on 28 March 2014.

M8 Segment Reporting

| Business segments | Property development RM '000 | Property investment -commercial RM '000 | Property investment - retail RM '000 | Hotel RM '000 | Construction RM '000 | Others RM '000 | Group RM '000 |
|--|---|--|---|--------------------------|---------------------------------|---------------------------|--------------------------|
| 9 months ended 30 September 2014 | | | | | | | |
| Revenue | | | | | | | |
| Total revenue | 140,739 | 103,238 | 360,776 | 276,256 | 300,181 | 82,186 | 1,263,376 |
| Intersegment revenue | - | (8,842) | (26,947) | (6,286) | (296,939) | (43,831) | (382,845) |
| External revenue | <u>140,739</u> | <u>94,396</u> | <u>333,829</u> | <u>269,970</u> | <u>3,242</u> | <u>38,355</u> | <u>880,531</u> |
| Results | | | | | | | |
| Segment results (external) | 72,914 | 49,090 | 210,046 | 22,539 | 4,133 | 1,950 | 360,672 |
| Finance income | | | | | | | 25,932 |
| Unallocated expense | | | | | | | (23,602) |
| Profit from operations | | | | | | | <u>363,002</u> |
| Finance costs | | | | | | | (61,302) |
| Share of after-tax results of associates and joint venture | 2,983 | 2,359 | - | 11,293 | - | 254 | 16,889 |
| Profit from ordinary activities before tax | | | | | | | <u>318,589</u> |
| Tax-Company and subsidiaries | | | | | | | (69,234) |
| Profit for the period | | | | | | | <u><u>249,355</u></u> |
| Attributable to: | | | | | | | |
| Equity holders of the Company | | | | | | | 159,111 |
| Non-controlling interests | | | | | | | <u>90,244</u> |
| | | | | | | | <u><u>249,355</u></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 - commercial RM '000 | Property investment - retail 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 | 93,082 | 339,884 | 270,668 | 138,177 | 36,496 | 971,190 |
| Intersegment revenue | - | (5,353) | (27,894) | (6,254) | (132,254) | (22,761) | (194,516) |
| External revenue | <u>92,883</u> | <u>87,729</u> | <u>311,990</u> | <u>264,414</u> | <u>5,923</u> | <u>13,735</u> | <u>776,674</u> |
| Results | | | | | | | |
| Segment results (external) | 57,458 | 50,634 | 162,007 | 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 | <u>6,070</u> | <u>(369)</u> | | <u>14,900</u> | <u>-</u> | <u>272</u> | <u>20,873</u> |
| 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 | | | | | | | <u>74,019</u> |
| | | | | | | | <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.

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 12 August 2014, the Company announced to Bursa Malaysia that Pacific Land Sdn Bhd, a wholly-owned subsidiary of the Company, had acquired the entire issued and paid-up share capital of 2 ordinary shares of RM1.00 each in a company incorporated in Malaysia known as Majestic Path Sdn Bhd ("MPSB") for cash consideration of RM2.00. The intended principal activity of MPSB is investment holding.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 December 2013.

M13 Capital commitment

Capital expenditure not provided for in the financial statements were as follows:

| | Group | |
|---|---|-------------------------------|
| | 30 September 2014 RM'000 | 31 December 2013 RM'000 |
| Authorised by Directors and contracted: | | |
| Investment property | 16,186 | 52,779 |
| Property, plant and equipment | 213,751 | 316,440 |
| | 229,937 | 369,219 |
| Authorised by Directors but not contracted: | | |
| Investment property | 1,150,988 | 4,918 |
| Property, plant and equipment | 7,062 | 19,555 |
| | 1,158,050 | 24,473 |

K1 Review of performance

For the three months ended 30 September 2014, Group revenue increased by 3% to RM291.4 million when compared to the corresponding period in 2013 of RM281.8 million due to higher contributions from all operating divisions.

Group pre-tax profit decreased by 23% to RM90.9 million when compared to pre-tax profit of RM117.4 million achieved in the corresponding period in 2013 mainly as a result of the following provisions taken up during the current quarter:

- i. write-off of hotel properties amounting to RM43.8 million arising from the Group's decision to redevelop Pangkor Island Beach Resort;
- ii. partial reversal of provision for impairment loss on land held for property development in a subsidiary amounting to RM21.0 million; and
- iii. reversal of provision for impairment loss on hotel properties by a subsidiary amounting to RM7.4 million.

K2 Comparison with immediate preceding quarter

Group revenue achieved for the three months ended 30 September 2014 decreased by about 1% to RM291.4 million when compared to the three months ended 30 June 2014 of RM293.1 million.

Group pre-tax profit decreased by 20% to RM90.9 million when compared to pre-tax profit of RM113.0 million achieved for the three months ended 30 June 2014 mainly as a result of the reasons enumerated in note K1 above.

K3 Prospects for 2014

Group turnover achieved for the nine months to 30 September 2014 increased by 13% to RM880.5 million when compared to the corresponding period in 2013 of RM776.7 million with increased contributions from all operating divisions. Turnover from the Property Development division increased by more than 51% to RM140.7 million (3Q2013: RM92.9 million), Property Investment, commercial division increased by 8% to RM94.4 million (3Q2013: RM87.7 million), Property Investment, retail division increased by 7% to RM333.8 million (3Q2013: RM312.0 million), Hotel division increased by 2% to RM270.0 million (3Q2013: RM264.4 million) and Investment Division increased by more than 100% to RM38.4 million (3Q2013: RM13.7 million).

In the Property Development division, about 97% of the available 474 units of service apartments at G Residence have been sold with total sales value of about RM369 million. The Group's service apartment development, known as Three28 Tun Razak, which was launched in October 2013, has up till to-date achieved sales of over 90% with total sales value of RM152.7 million. Over at Sierramas, the Group will soon be launching 41 units of strata bungalows called Park Manor.

K3 Prospects for 2014 (continued)

In the Property Investment division, all five office towers in Mid Valley City are close to 100% occupied whilst Menara Tan & Tan and Plaza Permata are 85% and 79% occupied respectively. 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 RM342.2 million (3Q2013: RM316.4 million) and RM236.3 million (3Q2013: RM213.3 million) respectively, an increase of about 8% and 11% respectively when compared to the same period in 2013.

In the Hotel division, all hotels in the Group achieved higher average room rates when compared to 2013. With regard to the Group's resort hotel, Pangkor Island Beach Resort located on Pangkor Island, the Board has made a decision to redevelop the hotel which is more than 30 years old. As a result, a provision of RM43.8 million was made during the current quarter to write-off the hotel, which has impacted pre-tax profit for the Hotel division.

After accounting for the exceptional items as disclosed, Group profit before tax achieved for the 9 months to 30 September 2014 increased slightly by 1% to RM318.6 million compared to the corresponding period in 2013 of RM315.2 million.

Barring unforeseen circumstances, the Board is optimistic that operational results for 2014 will be better than 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 30.09.2014 RM '000 | Cumulative current Year-To-Date ended 30.09.2014 RM '000 |
|-------------------------------|---|---|
| Malaysian income tax | | |
| - Company and subsidiaries | 26,083 | 66,189 |
| Transferred from deferred tax | (5,007) | (10) |
| | 21,076 | 66,179 |
| Overseas tax | | |
| - Company and subsidiaries | 865 | 3,055 |
| | 21,941 | 69,234 |

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate as certain expenses incurred during the quarter were not allowable for tax purposes.

The effective tax rate of the Group for the financial year to-date was lower than the statutory tax rate mainly due to the share of profits of non-controlling interests of a subsidiary which was not subjected to tax.

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 as at 30 September 2014 were as follows:

| | 30.09.2014 RM '000 |
|---|-------------------------------------|
| Total financial assets at cost | <u>1,114</u> |
| Total financial assets at fair value (after provision for diminution in value) | <u>396</u> |
| Total financial assets at market value at 30 September 2014 | <u>396</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 2014 were as follows:

| <i>Borrowings in RM unless otherwise stated</i> | 30.09.2014 RM '000 |
|---|-------------------------------------|
| Long term borrowings: | |
| Secured | |
| Term Loan | <u>1,575,927</u> |
| Short term borrowings: | |
| Secured | |
| Current portion of term loan | 1,302 |
| Revolving credit | 28,986 |
| Revolving credit (£) | 338,494 |
| Revolving credit (AUD) | 77,100 |
| Unsecured | |
| Revolving credit | <u>115,008</u> |
| | <u>560,890</u> |
| TOTAL | <u>2,136,817</u> |
| Capital and reserves attributable to equity holders of the Company | <u>4,460,885</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

During this quarter, no dividend is declared or proposed in respect of the financial year ending 31 December 2014.

K13 Earnings per share

| | | Current Quarter ended 30.09.2014 | Preceding Year Quarter ended 30.09.2013 | Current Year-To- Date ended 30.09.2014 | Preceding Year-To- Date ended 30.09.2013 |
|--|---------|---|--|---|---|
| Profit for the period | RM '000 | <u>34,204</u> | 57,160 | <u>159,111</u> | 166,251 |
| Weighted average number of ordinary shares in issue | '000 | <u>1,340,749</u> | 1,402,064 | <u>1,340,749</u> | 1,402,064 |
| Basic earnings per share | sen | <u>2.55</u> | 4.08 | <u>11.87</u> | 11.86 |

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

K14 Profit from operations

| | Current Year Quarter ended 30.09.2014 RM '000 | Cumulative Current Year-To-Date ended 30.09.2014 RM '000 |
|---|--|---|
| Profit from operations is stated after charging: | | |
| Depreciation | 30,725 | 94,850 |
| Foreign exchange loss | 2,887 | 3,955 |
| Provision for write-off of hotel properties | <u>43,775</u> | <u>43,775</u> |
| Profit from operations is stated after crediting: | | |
| Foreign exchange gain | (82) | 3,043 |
| Other income (excluding finance income and dividend income) | 5,885 | 15,434 |
| Reversal of impairment provision on hotel properties | 7,425 | 7,425 |
| Reversal of impairment provision on land held for property development | <u>21,036</u> | <u>21,036</u> |

K15 Realized and unrealized retained earnings

| | As at 30.09.2014 RM '000 | As at 31.12.2013 RM '000 |
|---|---|--------------------------------|
| Total retained earnings | | |
| i) Company and subsidiaries | | |
| - realised profit | 3,477,569 | 3,375,924 |
| - unrealised loss | (275,776) | (278,024) |
| | 3,201,793 | 3,097,900 |
| ii) Associates | | |
| - realised profit | 215,744 | 197,242 |
| - unrealised profit | 201 | 4,277 |
| | 215,945 | 201,519 |
| iii) Group consolidation adjustments | (310,386) | (310,616) |
| Total Group retained earnings as per unaudited consolidated statement of financial position | 3,107,352 | 2,988,803 |

K16 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 25 November 2014.