

Interim Financial Report for the three months ended 31 December 2014

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Note:

M1 to M12 are explanatory notes in accordance with MFRS134.

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 31.12.2014 RM' 000	<i>Re-stated (Please refer M1)</i> Preceding Year Quarter 31.12.2013 RM' 000	Current Year- To-Date 31.12.2014 RM' 000	<i>Re-stated (Please refer M1)</i> Preceding Year- To-Date 31.12.2013 RM' 000
Revenue	301,688	311,818	1,176,356	1,087,320
Cost of sales	(133,635)	(130,748)	(508,484)	(444,880)
Gross profit	168,053	181,070	667,872	642,440
Other operating income	9,761	849	57,200	28,161
Administrative expenses	(60,799)	(74,616)	(222,032)	(239,092)
Other operating expenses	(14,588)	(10,410)	(66,636)	(18,578)
Profit from operations	102,427	96,893	436,404	412,931
Finance income	12,244	11,701	38,177	45,357
Finance costs	(12,434)	(18,524)	(73,736)	(73,984)
Share of after-tax results of associates and joint venture	5,184	(3,020)	21,365	16,495
Profit before tax	107,421	87,050	422,210	400,799
Less tax:				
Company and subsidiaries	(25,670)	(21,855)	(93,130)	(95,863)
Profit for the period	81,751	65,195	329,080	304,936
Attributable to:				
Equity holders of the Company	59,367	41,772	218,111	207,707
Non-controlling interests	22,384	23,423	110,969	97,229
	81,751	65,195	329,080	304,936
Earnings per share (sen)				
- basic	4.43	2.98	16.29	14.81
- 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 31.12.2014 RM' 000	<i>Re-stated</i> Preceding Year Quarter 31.12.2013 RM' 000	Current Year- To-Date 31.12.2014 RM' 000	<i>Re-stated</i> Preceding Year- To-Date 31.12.2013 RM' 000
Profit for the period	81,751	65,195	329,080	304,936
Other comprehensive income:				
Exchange differences on translating foreign operations:				
Equity holders	6,440	16,460	2,704	14,983
Non-controlling interests	52	(17)	100	(201)
Total comprehensive income for the period, net of tax	<u>88,243</u>	<u>81,638</u>	<u>331,884</u>	<u>319,718</u>
Total comprehensive income attributable to:				
Equity holders of the Company	65,807	58,230	220,815	222,690
Non-controlling interests	<u>22,436</u>	<u>23,408</u>	<u>111,069</u>	<u>97,028</u>
	<u>88,243</u>	<u>81,638</u>	<u>331,884</u>	<u>319,718</u>

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

	31.12.2014	<i>Re-stated</i> 31.12.2013	<i>Re-stated</i> 01.01.2013
	RM '000	RM '000	RM '000
Capital and reserves attributable to the Company's equity holders			
Share capital	682,399	682,399	745,148
Share premium	112,641	112,641	404,112
Treasury shares	(81,088)	(17,439)	(157,015)
Revaluation and other reserves	80,436	77,732	183,019
Retained earnings	3,482,573	3,313,537	2,962,119
	4,276,961	4,168,870	4,137,383
Non-controlling interests	113,634	78,106	600,816
TOTAL EQUITY	4,390,595	4,246,976	4,738,199
Represented by:			
Non current assets			
Property, plant and equipment	2,129,967	2,023,261	1,826,641
Long term prepaid lease	3,645	3,697	3,703
Investment properties	2,380,554	2,175,094	1,965,079
Land held for property development	257,803	238,549	248,059
Investments in associates and joint ventures	783,075	387,723	355,621
Deferred tax assets	103	103	5,893
Goodwill	19,164	19,164	19,164
Cash and bank balances	480,419	95,000	95,000
	6,054,730	4,942,591	4,519,160
Current assets			
Property development costs	317,225	309,627	235,113
Inventories	80,083	82,710	62,461
Financial assets at fair value through profit or loss	11,932	394	504
Trade and other receivables	230,834	216,071	208,130
Amounts owing by associates and joint ventures	84,103	76,708	59,080
Amounts owing by related companies	42	22	-
Tax recoverable	2,954	3,053	3,522
Cash held in Housing Development Accounts	40,500	32,984	5,259
Cash and bank balances	581,169	942,569	2,022,372
	1,348,842	1,664,138	2,596,441
Less: Current liabilities			
Trade and other payables	502,231	471,214	352,531
Amounts owing to associates	2,697	4,107	22,487
Borrowings	570,129	163,460	263,312
Current tax payable	113,080	67,690	59,148
	1,188,137	706,471	697,478
Net current assets	160,705	957,667	1,898,963
Less: Non current liabilities			
Trade and other payables	59,788	65,692	55,178
Borrowings	1,576,267	1,394,909	1,433,382
Deferred tax liabilities	188,785	192,681	191,364
	1,824,840	1,653,282	1,679,924
	4,390,595	4,246,976	4,738,199

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

Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 December 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 RM '000	Revaluation and other reserves RM '000	Retained earnings RM '000	Interests RM '000	
	Number of shares '000	Nominal value RM '000	Number of shares '000	Nominal value RM '000					
At 1 January 2014 (re-stated)	1,364,798	682,399	(6,436)	(17,439)	112,641	77,732	3,313,537	78,106	4,246,976
Total comprehensive income for the period	-	-	-	-	-	2,704	218,111	111,069	331,884
Share buy-back	-	-	(23,463)	(63,649)	-	-	-	-	(63,649)
Changes in ownership interest in existing subsidiaries	-	-	-	-	-	-	(15,376)	56,621	41,245
Dividend paid	-	-	-	-	-	-	(33,699)	(132,162)	(165,861)
Total transactions with equity holders	-	-	(23,463)	(63,649)	-	-	(49,075)	(75,541)	(188,265)
At 31 December 2014	1,364,798	682,399	(29,899)	(81,088)	112,641	80,436	3,482,573	113,634	4,390,595

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

Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 December 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		Treasury Shares ordinary shares of RM0.50 each		Non-distributable	Distributable			
	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
Changes arising from adoption of MFRS 1 and MFRS 15	-	-	-	-	-	(332,910)	329,651	1,015	(2,244)
At 1 January 2013 (as re-stated)	1,490,296	745,148	(71,831)	(157,015)	404,112	183,019	2,962,119	600,816	4,738,199
Total comprehensive income for the period	-	-	-	-	-	70,249	395,642	97,260	563,151
Changes arising from adoption of MFRS 1 and MFRS 15	-	-	-	-	-	(238,285)	(4,917)	(231)	(243,433)
Total comprehensive income for the period (as re-stated)	-	-	-	-	-	(168,036)	390,725	97,029	319,718
Share buy-back	-	-	(60,103)	(151,895)	-	-	-	-	(151,895)
Cancellation of treasury shares	(125,498)	(62,749)	125,498	291,471	(291,471)	62,749	-	-	-
Capital reduction in a subsidiary	-	-	-	-	-	-	-	(505,757)	(505,757)
Other transactions with subsidiaries	-	-	-	-	-	-	91,101	7,962	99,063
Dividend paid	-	-	-	-	-	-	(130,408)	(121,944)	(252,352)
At 31 December 2013 (re-stated)	1,364,798	682,399	(6,436)	(17,439)	112,641	77,732	3,313,537	78,106	4,246,976

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

	31.12.2014 RM '000	31.12.2013 RM '000
Operating activities		
Receipts from customers	1,220,120	1,091,177
Payments to contractors, suppliers and employees	(568,506)	(649,724)
Cash flow from operations	651,614	441,453
Interest paid	(66,806)	(70,861)
Income taxes paid	(118,640)	(79,744)
Deposits held with trustee	-	(995)
Net cash generated from operating activities	466,168	289,853
Investing activities		
Acquisition of subsidiaries	-	(33,200)
Acquisition of joint ventures	(392,514)	-
Interest received	38,224	43,559
Additions to property, plant and equipment, investment properties and land held for property development	(456,428)	(335,295)
Cash arising from dilution of equity in a subsidiary	38,291	-
Proceeds from sale of property, plant and equipment	-	22
Dividends received from associates	-	4,186
Advances to associates and joint ventures	(8,768)	(18,292)
Deposits pledged with licensed banks	(385,419)	-
Net cash used in investing activities	(1,166,614)	(339,020)
Financing activities		
Purchase of treasury shares	(66,042)	(153,251)
Receipt of bank borrowings, net of repayments	581,098	(132,500)
Capital repayment to non-controlling interests of a subsidiary	-	(505,757)
Dividends paid to non-controlling interests of a subsidiary	(127,276)	(88,222)
Dividend paid	(33,699)	(130,408)
Net cash used in financing activities	354,081	(1,010,138)
Foreign currencies exchange difference	(7,518)	6,232
Net decrease in cash and cash equivalents	(346,365)	(1,059,305)
Cash and cash equivalents at 1 January	948,117	2,001,190
Cash and cash equivalents at 31 December	594,234	948,117

**Explanatory notes to the Interim Financial Statements
for the three months ended 31 December 2014**

M1 Basis of preparation

This Interim Financial Report is unaudited and has been prepared in accordance with the requirements of Malaysian 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.

Malaysian Financial Reporting Standards (“MFRS”)

The MFRS framework is required to be adopted by all Transitioning Entities by annual periods beginning on or after 1 January 2017.

The Group has, however, elected to early adopt the MFRS framework for the financial year ended 31 December 2014 and has therefore adopted the following MFRS:

- MFRS 1 First time adoption of Malaysian Financial Reporting Standards
- MFRS 15 Revenue from contracts with customers

Application of MFRS 1

Fair value as deemed cost for hotel properties

In accordance with the exemption in MFRS 1, the Group has elected to adopt the cost model for its hotel properties on transition to MFRS. Accordingly, the fair value of the hotel properties have been deemed as cost at the date of transition.

Foreign currency translation reserve

Previously, the Group recognized translation differences on foreign operations as a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be nil as at the date of transition to MFRS.

Application of MFRS 15

Revenue from contracts with customers

MFRS 15 requires an entity to recognize revenue to depict the transfer of promised goods or services and control to the customer. The amount of revenue reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

M1 Basis of preparation (continued)

The effects from the adoption of MFRS on the Condensed Consolidated Income Statement for the three months to 31 December 2013 and for the financial year ended 31 December 2013 are as follows:

	<i>As reported previously</i>	<i>Effects of change</i>	<i>Re-stated</i>	<i>As reported previously</i>	<i>Effects of change</i>	<i>Re-stated</i>
	Preceding Year Quarter 31.12.2013 RM' 000	RM' 000	Preceding Year Quarter 31.12.2013 RM' 000	Preceding Year- To-Date 31.12.2013 RM' 000	RM' 000	Preceding Year- To-Date 31.12.2013 RM' 000
Revenue	314,457	(2,639)	311,818	1,091,131	(3,811)	1,087,320
Cost of sales	(132,085)	1,337	(130,748)	(446,231)	1,351	(444,880)
Gross profit	182,372	(1,302)	181,070	644,900	(2,460)	642,440
Other operating income	849	-	849	28,161	-	28,161
Administrative expenses	(74,965)	349	(74,616)	(240,503)	1,411	(239,092)
Other operating expenses	(10,410)	-	(10,410)	(18,578)	-	(18,578)
Profit from operations	97,846	(953)	96,893	413,980	(1,049)	412,931
Finance income	11,701	-	11,701	45,357	-	45,357
Finance costs	(18,524)	-	(18,524)	(73,984)	-	(73,984)
Share of after-tax results of associates and joint venture	(1,667)	(1,353)	(3,020)	19,206	(2,711)	16,495
Profit before tax	89,356	(2,306)	87,050	404,559	(3,760)	400,799
Less tax:						
Company and subsidiaries	(22,086)	231	(21,855)	(97,019)	1,156	(95,863)
Profit for the period	<u>67,270</u>	<u>(2,075)</u>	<u>65,195</u>	<u>307,540</u>	<u>(2,604)</u>	<u>304,936</u>
Attributable to:						
Equity holders of the Company	43,828	(2,106)	41,722	210,079	(2,372)	207,707
Non-controlling interests	<u>23,442</u>	<u>(19)</u>	<u>23,423</u>	<u>97,461</u>	<u>(232)</u>	<u>97,229</u>
	<u>67,270</u>	<u>(2,125)</u>	<u>65,145</u>	<u>307,540</u>	<u>(2,604)</u>	<u>304,936</u>
Earnings per share (sen)						
- basic	<u>3.15</u>	<u>(0.17)</u>	<u>2.98</u>	<u>15.08</u>	<u>(0.27)</u>	<u>14.81</u>

M1 Basis of preparation (continued)

The effects from the adoption of MFRS on the Condensed Consolidated Statement of Financial Position as at 1 January 2013 and as at 31 December 2013 are as follows:

	<i>Audited</i> 31.12.2012 RM '000	<i>Effects of</i> change RM '000	<i>Re-stated</i> 01.01.2013 RM '000	<i>Audited</i> 31.12.2013 RM '000	<i>Effects of</i> change RM '000	<i>Re-stated</i> 31.12.2013 RM '000
Capital and reserves attributable to the Company's equity holders						
Share capital	745,148	-	745,148	682,399	-	682,399
Share premium	404,112	-	404,112	112,641	-	112,641
Treasury shares	(157,015)	-	(157,015)	(17,439)	-	(17,439)
Revaluation and other reserves	515,929	(332,910)	183,019	648,927	(571,195)	77,732
Retained earnings	2,632,468	329,651	2,962,119	2,988,803	324,734	3,313,537
	4,140,642	(3,259)	4,137,383	4,415,331	(246,461)	4,168,870
Non-controlling interests	599,801	1,015	600,816	77,322	784	78,106
TOTAL EQUITY	4,740,443	(2,244)	4,738,199	4,492,653	(245,677)	4,246,976
Represented by:						
Non current assets						
Property, plant and equipment	1,829,596	(2,955)	1,826,641	2,347,321	(324,060)	2,023,261
Long term prepaid lease	3,703	-	3,703	3,697	-	3,697
Investment properties	1,965,079	-	1,965,079	2,175,094	-	2,175,094
Land held for property development	248,059	-	248,059	238,549	-	238,549
Investments in associates and joint ventures	355,784	(163)	355,621	390,598	(2,875)	387,723
Deferred tax assets	5,893	-	5,893	1,649	(1,546)	103
Goodwill	19,164	-	19,164	19,164	-	19,164
Cash and bank balances	95,000	-	95,000	95,000	-	95,000
	4,522,278	(3,118)	4,519,160	5,271,072	(328,481)	4,942,591
Current assets						
Property development costs	229,131	5,982	235,113	300,883	8,744	309,627
Inventories	62,461	-	62,461	82,710	-	82,710
Financial assets at fair value through profit or loss	504	-	504	394	-	394
Trade and other receivables	209,600	(1,470)	208,130	221,352	(5,281)	216,071
Amounts owing by associates and joint ventures	59,080	-	59,080	76,708	-	76,708
Amounts owing by related companies	-	-	-	22	-	22
Tax recoverable	3,522	-	3,522	3,053	-	3,053
Cash held in Housing Development Accounts	5,259	-	5,259	32,984	-	32,984
Cash and bank balances	2,022,372	-	2,022,372	942,569	-	942,569
	2,591,929	4,512	2,596,441	1,660,675	3,463	1,664,138
Less: Current liabilities						
Trade and other payables	352,531	-	352,531	471,214	-	471,214
Amounts owing to associates	22,487	-	22,487	4,107	-	4,107
Borrowings	263,312	-	263,312	163,460	-	163,460
Current tax payable	59,148	-	59,148	67,690	-	67,690
	697,478	-	697,478	706,471	-	706,471
Net current assets	1,894,451	4,512	1,898,963	954,204	3,463	957,667
Less: Non current liabilities						
Trade and other payables	55,178	-	55,178	65,692	-	65,692
Borrowings	1,433,382	-	1,433,382	1,394,909	-	1,394,909
Deferred tax liabilities	187,726	3,638	191,364	272,022	(79,341)	192,681
	1,676,286	3,638	1,679,924	1,732,623	(79,341)	1,653,282
	4,740,443	(2,244)	4,738,199	4,492,653	(245,677)	4,246,976
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.9191	(0.3023)	2.6168	3.2505	(0.1815)	3.0690

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 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 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

No shares were repurchased subsequent to 30 June 2014 and the number of treasury shares held as at 16 February 2015 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
2014							
Revenue							
Total revenue	184,731	139,005	488,250	364,678	419,713	106,925	1,703,302
Intersegment revenue	-	(11,919)	(35,779)	(8,409)	(412,286)	(58,553)	(526,946)
External revenue	<u>184,731</u>	<u>127,086</u>	<u>452,471</u>	<u>356,269</u>	<u>7,427</u>	<u>48,372</u>	<u>1,176,356</u>
Results							
Segment results (external)	99,150	67,421	282,394	32,941	6,518	(9,056)	479,368
Finance income							38,177
Unallocated expense							(42,964)
Profit from operations							474,581
Finance costs							(73,736)
Share of after-tax results of associates and joint venture	3,163	(3,000)	-	14,803	-	6,399	21,365
Profit from ordinary activities before tax							422,210
Tax-Company and subsidiaries							(93,130)
Profit for the period							<u>329,080</u>
Attributable to:							
Equity holders of the Company							218,111
Non-controlling interests							<u>110,969</u>
							<u>329,080</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
2013							
Revenue							
Total revenue	145,148	133,031	452,917	377,668	205,159	58,786	1,372,709
Intersegment revenue	-	(7,179)	(37,255)	(7,799)	(197,972)	(35,184)	(285,389)
External revenue	<u>145,148</u>	<u>125,852</u>	<u>415,662</u>	<u>369,869</u>	<u>7,187</u>	<u>23,602</u>	<u>1,087,320</u>
Results							
Segment results (external)	76,427	68,227	223,177	92,723	2,346	(4,707)	458,193
Finance income							45,357
Unallocated expense							(45,262)
Profit from operations							458,288
Finance costs							(73,984)
Share of after-tax results of associates	5,031	34		11,098	-	332	16,495
Profit from ordinary activities before tax							400,799
Tax-Company and subsidiaries							(95,863)
Profit for the period							<u>304,936</u>
Attributable to:							
Equity holders of the Company							207,707
Non-controlling interests							<u>97,229</u>
							<u>304,936</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 deemed as cost on adoption of MFRS 1 as disclosed in Note M1.

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.

On 11 February 2015, the Company announced to Bursa Malaysia that TTD Sdn Bhd, a wholly-owned subsidiary of Tan & Tan Developments Berhad which in turn is 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 Future Pinnacle Sdn Bhd ("FPSB") for cash consideration of RM2.00. The intended principal activity of FPSB is property development.

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	
	31 December 2014 RM'000	31 December 2013 RM'000
Authorised by Directors and contracted:		
Investment property	281,609	52,779
Property, plant and equipment	123,235	316,440
	404,844	369,219
Authorised by Directors but not contracted:		
Investment property	967,923	4,918
Property, plant and equipment	48,905	19,555
	1,016,828	24,473

K1 Review of performance

For the three months ended 31 December 2014, Group revenue decreased by 3% to RM301.7 million when compared to the corresponding period in 2013 of RM311.8 million due to lower contributions from the property development and hotel divisions.

Group pre-tax profit increased by 22% to RM107.4 million when compared to pre-tax profit of RM87.8 million achieved in the corresponding period in 2013 due in part to lower administrative expenses and lower finance costs incurred during the current quarter.

K2 Comparison with immediate preceding quarter

Group revenue achieved for the three months ended 31 December 2014 increased by 4% to RM301.7 million when compared to the three months ended 30 September 2014 of RM289.8 million due to higher contribution from the property development division as the percentage of completion certified for the Group's property development projects were higher during the current quarter when compared to the previous quarter.

Group pre-tax profit increased by 23% to RM107.4 million when compared to pre-tax profit of RM86.1 million achieved for the three months ended 30 September 2014 mainly as a result of higher contribution from the property development division as well as lower finance costs during the current quarter.

K3 Prospects for 2015

Group turnover achieved for the financial year to 31 December 2014 increased by 8% to RM1,176.4 million when compared to 2013 of RM1,087.3 million with increased contributions from all operating divisions except for Hotel division. Turnover from the Property Development division increased by 27% to RM184.7 million (FY2013: RM145.1 million), Property Investment, commercial division increased by 1% to RM127.1 million (FY2013: RM125.9 million), Property Investment, retail division increased by 9% to RM452.5 million (FY2013: RM415.7 million), Hotel division decreased by 4% to RM356.3 million (FY2013: RM369.9 million) and Investment Division increased by more than 100% to RM48.4 million (FY2013: RM23.6 million).

In the Property Development division, about 99% of the available 474 units of service apartments at G Residence have been sold with total sales value of about RM376 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 92% with total sales value of RM157 million. During the last quarter, the Group had a soft launching for the 41 units of strata bungalows called Park Manor at Sierramas with total Gross Development Value of about RM107 million as well as another new development called Damai Residence located off Jalan Ampang, Kuala Lumpur in the vicinity of Ampwalk. Damai Residence comprises of 30 units of highly exclusive condominium plus 1 penthouse in a 20-storey building with total Gross Development Value of about RM50 million.

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 87% and 76% 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 RM461.8 million (FY2013: RM430.7 million) and RM312.6 million (FY2013: RM285.7 million) respectively, an increase of about 7% and 9% respectively when compared to 2013.

K3 Prospects for 2015 (continued)

In the Hotel division, all hotels in the Group achieved higher average room rates when compared to 2013 with the exception of MiCasa All Suites Apartments in Kuala Lumpur and St Giles New York but average occupancy rates achieved in 2014 were in general lower than those achieved in 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 RM43.3 million was made during the current financial year to write-off the hotel, which has impacted pre-tax profit for the Hotel division.

Group profit before tax achieved for 2014 increased by 5% to RM422.2 million compared to 2013 of RM400.8 million.

The Board expects 2015 to be a challenging year. Barring unforeseen circumstances, the Board is cautiously optimistic that the better operational results seen in FY2014 will carry through to 2015 and that the performance for the Group for FY2015 will be satisfactory.

K4 Profit forecast/profit guarantee

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

K5 Tax

	Current quarter ended 31.12.2014 RM '000	Cumulative current Year-To-Date ended 31.12.2014 RM '000
Malaysian income tax		
- Company and subsidiaries	31,223	95,638
Transferred from deferred tax	(8,045)	(8,055)
	23,178	87,583
Overseas tax		
- Company and subsidiaries	2,492	5,547
	25,670	93,130

The effective tax rate of the Group for the current quarter approximates the statutory tax rate. 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 and that certain income 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 31 December 2014 were as follows:

	31.12.2014 RM '000
Total financial assets at cost	<u>12,703</u>
Total financial assets at fair value (after provision for diminution in value)	<u>11,932</u>
Total financial assets at market value at 31 December 2014	<u>11,932</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 31 December 2014 were as follows:

<i>Borrowings in RM unless otherwise stated</i>	31.12.2014 RM '000
Long term borrowings:	
Secured	
Term Loan	<u>1,576,267</u>
Short term borrowings:	
Secured	
Revolving credit	43,672
Revolving credit (£)	338,494
Revolving credit (AUD)	77,442
Unsecured	
Revolving credit	<u>110,521</u>
	<u>570,129</u>
TOTAL	<u>2,146,396</u>
Capital and reserves attributable to equity holders of the Company	<u>4,276,961</u>

K10 Financial instruments

The Group does not have any financial instruments with off-balance sheet risk. With the adoption of MFRS 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 Single Tier Dividend of 10.0 sen per ordinary share is declared for the financial year ended 31 December 2014 and will be paid on 27 March 2015 to every member who is entitled to receive the dividend at 4.00 p.m. on 12 March 2015.

	Interim 2014	Second Interim 2013	Interim 2013
Per ordinary share (sen)	10.0	2.5	5.0
Net dividend (RM'000)	133,490	33,712	51,180
Date payable/paid	27 March 2015	28 March 2014	24 December 2013

K13 Earnings per share

		<i>Re-stated</i>		<i>Re-stated</i>
	Current	Preceding	Current	Preceding
	Quarter	Year	Year-To-	Year-To-
	ended	Quarter ended	Date ended	Date ended
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Profit for the period	RM '000 <u>59,367</u>	<u>41,772</u>	<u>218,111</u>	<u>207,707</u>
Weighted average number of ordinary shares in issue	'000 <u>1,339,274</u>	<u>1,402,064</u>	<u>1,339,274</u>	<u>1,402,064</u>
Basic earnings per share	sen <u><u>4.43</u></u>	<u>2.98</u>	<u><u>16.29</u></u>	<u>14.81</u>

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 31.12.2014 RM '000	Cumulative Current Year-To-Date ended 31.12.2014 RM '000
Profit from operations is stated after charging:		
Depreciation	26,291	122,662
Foreign exchange loss	-	3,955
Provision for write-off of hotel properties	-	43,775
Profit from operations is stated after crediting:		
Foreign exchange gain	237	3,280
Other income (excluding finance income and dividend income)	9,761	57,200
Reversal of impairment provision on hotel properties	-	7,425
Reversal of impairment provision on land held for property development	-	21,036

K15 Realized and unrealized retained earnings

	As at 31.12.2014 RM '000	<i>Re-stated</i> As at 31.12.2013 RM '000
Total retained earnings		
i) Company and subsidiaries		
- realised profit	3,448,418	3,700,658
- unrealised loss	(193,751)	(278,024)
	3,254,667	3,422,634
ii) Associates		
- realised profit	221,371	197,242
- unrealised profit	(4,117)	4,277
	217,254	201,519
iii) Group consolidation adjustments	10,652	(310,616)
Total Group retained earnings as per unaudited consolidated statement of financial position	3,482,573	3,313,537

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 16 February 2015.