

# UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014

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**SELANGOR PROPERTIES BERHAD**

(Company Number: 5199-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**THIRD QUARTER ENDED 31 JULY 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.07.2014 RM'000	Preceding Year Corresponding Quarter 31.07.2013 RM'000	Current Year To Date 31.07.2014 RM'000	Preceding Year Corresponding Period 31.07.2013 RM'000
<b>Revenue</b>	23,586	57,915	73,786	179,752
Investment income/(loss)	3,621	(462)	7,146	68
Cost of sale of development properties	(212)	(4,577)	(5,268)	(12,179)
Operating expenses	(26,730)	(21,379)	(39,051)	(105,767)
Other operating income	12,733	14,006	148,305	35,197
<b>Profit from operations</b>	12,998	45,503	184,918	97,071
Financing costs	(3,335)	(5,460)	(10,861)	(14,153)
<b>Profit before taxation</b>	9,663	40,043	174,057	82,918
Share of result of joint control entity	-	6	-	(6)
Taxation	(1,974)	(5,027)	(4,983)	(18,296)
<b>Profit from continuing operations</b>	7,689	35,022	169,074	64,616
Loss from discontinued operation	-	-	(1,685)	-
<b>Profit for the financial period</b>	7,689	35,022	167,389	64,616
Foreign currency translation	(1,279)	(4,102)	(660)	(4,738)
Fair value changes on hedging instrument	14	185	7	679
Other comprehensive income for the period (net of tax)	(1,265)	(3,917)	(653)	(4,059)
<b>Total comprehensive income for the period</b>	6,424	31,105	166,736	60,557
<b>Profit attributable to:</b>				
Owners of the parent				
- Continuing operations	7,689	34,805	169,074	60,997
- Discontinued operation	-	-	(527)	-
Non-controlling interest	-	217	(1,158)	3,619
<b>Profit for the financial period</b>	7,689	35,022	167,389	64,616
<b>Total comprehensive income attributable to:</b>				
Owners of the parent				
- Continuing operations	6,424	30,888	168,421	56,938
- Discontinued operation	-	-	(527)	-
Non-controlling interest	-	217	(1,158)	3,619
<b>Total comprehensive income for the period</b>	6,424	31,105	166,736	60,557
Basic EPS (sen)	2.24	10.13	49.05	17.75

*The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2013*

**SELANGOR PROPERTIES BERHAD**

(Company Number: 5199-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As At 31.07.2014 RM'000</b>	<b>Audited As At 31.10.2013 RM'000</b>	<b>Audited As At 01.11.2012 RM'000</b>
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	1,777	204,409	181,471
Land held for development	435,760	433,633	432,210
Long term receivables	20,511	17,280	15,805
Investment properties	1,109,773	1,032,762	998,502
Other Investment	9,167	-	-
Intangible assets	-	6,035	6,252
Deferred tax assets	10,538	26,680	30,354
<b>Total non-current assets</b>	<b>1,587,526</b>	<b>1,720,799</b>	<b>1,664,594</b>
Current assets			
Inventories	59,733	63,118	75,723
Trade receivables	1,486	8,508	6,851
Other receivables	10,808	15,133	21,703
Tax recoverable	4,481	5,669	4,752
Held for trading investments	381,028	329,589	270,977
Cash and bank balances	332,469	398,797	455,231
<b>Total Current Assets</b>	<b>790,005</b>	<b>820,814</b>	<b>835,237</b>
<b>TOTAL ASSETS</b>	<b>2,377,531</b>	<b>2,541,613</b>	<b>2,499,831</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the parent			
Share capital	343,617	343,617	343,617
Reserves	1,670,603	1,605,794	1,544,003
	2,014,220	1,949,411	1,887,620
Non-controlling interests	-	77,390	72,489
<b>Total equity</b>	<b>2,014,220</b>	<b>2,026,801</b>	<b>1,960,109</b>

**SELANGOR PROPERTIES BERHAD**

(Company Number: 5199-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At 31.07.2014 RM'000	Audited As At 31.10.2013 RM'000	Audited As At 01.11.2012 RM'000
<b>LIABILITIES</b>			
Non-current liabilities			
Long term loan	-	267,919	318,089
Long term payable	-	-	9,000
Deferred taxation	80,989	103,869	90,363
Total non-current liabilities	<u>80,989</u>	<u>371,788</u>	<u>417,452</u>
Current liabilities			
Provision for liabilities	1,222	1,232	3,016
Short term borrowings	251,838	50,307	26,038
Trade payables	88	27,000	25,373
Other payables	28,384	62,406	66,062
Taxation	790	2,079	1,781
Total current liabilities	<u>282,322</u>	<u>143,024</u>	<u>122,270</u>
Total liabilities	<u>363,311</u>	<u>514,812</u>	<u>539,722</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>2,377,531</u></b>	<b><u>2,541,613</u></b>	<b><u>2,499,831</u></b>
Net assets per share attributable to owners of the parent (RM)	5.86	5.67	5.49

*The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2013*

**SELANGOR PROPERTIES BERHAD**

(Company Number: 5199-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
THIRD QUARTER ENDED 31 JULY 2014**

← Attributable to equity holders of the Company →

	Share Capital RM'000	Non- Distributable Reserve RM'000	Retained earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
<b>Current Year To Date</b>						
As at 1 November 2013	343,617	266,020	1,339,774	1,949,411	77,390	2,026,801
Total comprehensive income	-	(653)	168,547	167,894	(1,158)	166,736
Dividend	-	-	(103,085)	(103,085)	-	(103,085)
Disposal of Subsidiaries	-	-	-	-	(76,232)	(76,232)
As at 31 July 2014	<u>343,617</u>	<u>265,367</u>	<u>1,405,236</u>	<u>2,014,220</u>	<u>-</u>	<u>2,014,220</u>
<b>Preceding Year Corresponding Period</b>						
At 1 November 2012	343,617	300,284	1,243,719	1,887,620	72,489	1,960,109
Total comprehensive income	-	(4,059)	60,997	56,938	3,619	60,557
Dividend	-	-	(32,640)	(32,640)	(1,044)	(33,684)
As at 31 July 2013	<u>343,617</u>	<u>296,225</u>	<u>1,272,076</u>	<u>1,911,918</u>	<u>75,064</u>	<u>1,986,982</u>

*The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2013*

**SELANGOR PROPERTIES BERHAD**

(Company Number: 5199-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE 9 MONTHS ENDED 31 JULY 2014**

	Period ended 31.07.2014 RM'000	Period ended 31.07.2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax		
- From continuing operations	174,057	82,918
- From discontinued operation	(1,685)	-
	<u>172,372</u>	<u>82,918</u>
Adjustments for non-cash item	(133,251)	(22,714)
Working capital changes	(7,600)	15,085
	<u>31,521</u>	<u>75,289</u>
Net cash generated from operation	31,521	75,289
Interest received	5,643	3,134
Taxes paid	(5,268)	(9,660)
	<u>31,896</u>	<u>68,763</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of FVTPL financial assets	(62,012)	(207,085)
Proceeds from disposal of FVTPL financial assets	17,058	82,085
Net cash inflow from disposal of subsidiaries	154,681	-
Additions of investment properties	(26,041)	-
Additions of other investment	(8,917)	-
Purchase of PPE and Intangibles	(344)	(41,747)
Proceeds from disposal of PPE	-	35
Payment of development expenses	(2,127)	(1,052)
Dividends received from shares quoted outside Malaysia	4,646	2,386
	<u>76,944</u>	<u>(165,378)</u>
Net cash generated from / (used in) investing activities	76,944	(165,378)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(64,281)	-
Proceeds from borrowings	-	9,745
Dividend paid to equity holders of the parent	(103,085)	(32,640)
Dividend paid by subsidiary to non-controlling interest	-	(1,044)
Interest paid	(10,852)	(14,709)
	<u>(178,218)</u>	<u>(38,648)</u>
Net cash used in financing activities	(178,218)	(38,648)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(69,378)	(135,263)
EFFECTS OF EXCHANGE RATE CHANGES	3,050	(9,727)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	<u>398,797</u>	<u>455,231</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>332,469</u>	<u>310,241</u>

*The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2013*

## **PART A**

### **Explanatory Notes Pursuant to MFRS 134 “Interim Financial Reporting”**

#### **1. Basis of Preparation**

The condensed consolidated interim financial statements for the period ended 31 July 2014 of the Group have been prepared in accordance with the International Financial Reporting Standards compliant framework, Malaysian Financial Reporting Standards (“MFRS”), MFRS 134 “Interim Financial Reporting”, Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Main LR”), and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 October 2013.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 October 2013.

#### **2. Accounting Policies**

The accounting policies and methods of computation and presentation adopted by the Group in this quarterly report are consistent with those adopted in the audited financial statements for the financial year ended 31 October 2013 except for the adoption of the following new MFRSs, Amendments to MFRSs and IC Interpretations which are applicable for the Group’s financial period beginning 1 November 2013:-

MFRS 10: Consolidated Financial Statements

MFRS 11: Joint Arrangements

MFRS 12: Disclosure of Interests in Other Entities

MFRS 13: Fair Value Measurement

Amendment to MFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendment to MFRS 116 Property, Plant and Equipment (Annual Improvements 2009 – 2011 Cycle)

Amendment to MFRS 132 Financial Instruments Presentation (Annual Improvements 2009 – 2011 Cycle)

Amendment to MFRS 134 Interim Financial Reporting (Annual Improvements 2009 – 2011 Cycle)

Amendment to MFRS 10 Consolidated Financial Statements: Transition Guide

Amendment to MFRS 101 Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

MFRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011)

MFRS 127 Separate Financial Statements (IAS 27 as amended by IASB in May 2011)

MFRS 128 Investment in Associates and Joint Ventures

Amendments to IC interpretation 2 Member’s shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))

The adoption of the above MFRSs and amendments to MFRSs does not have any significant impact on the financial statements of the Group.

#### **3. Annual Audited Financial Statements**

The audited financial statements of the Company for the preceding financial year ended 31 October 2013 were not subject to any qualification.

#### **4. Comments on the Seasonality or Cyclicity of Operations**

The operations of the Group were not affected by any seasonal or cyclical factors.



## 5. Unusual Items

Save for the information disclosed in this interim financial report, there were no unusual items affecting assets, liabilities, equity, net income or cash flow.

## 6. Changes in Estimates of Amounts Reported Previously

There were no material changes in estimates of amounts used in the preparation of the financial statements in the current financial quarter and current financial period as compared to the previous corresponding financial quarterly and financial period.

## 7. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and the financial year-to-date.

## 8. Dividends Paid

There were no dividends paid during the financial quarter ended 31 July 2014. A final dividend in respect of financial year ended 31 October 2013, of 10.0 sen single tier exempt dividend per ordinary share amounting to RM34,361,676 and a special single tier exempt dividend of 20.0 sen per ordinary share amounting to RM68,723,352 on 343,616,761 ordinary shares, was approved by shareholders on 24 April 2014 and was paid on 15 May 2014.

## 9. Segment Revenue and Segment Result

The analysis of the Group operations for the period ended 31 July 2014 is as follows: -

	Revenue RM'000	Segment Results RM'000	Total Assets Employed RM'000
By Industries			
Property Investment Holding	33,312	149,779	700,371
Property Development	802	(1,202)	450,653
Education	-	-	-
Investment holding	8,384	16,855	655,282
Australia Operations	31,288	8,708	556,195
Others	-	(83)	9
Unallocated Corporate Assets	-	-	15,021
	<u>73,786</u>	<u>174,057</u>	<u>2,377,531</u>

## 10. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial statement.

## 11. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the financial period reported that have not been reflected in this financial statements except for the announcement on 3 March 2014 on the proposed disposal of a parcel of freehold land under Geran 70133 Lot 56495 Mukim/ Daerah Kuala Lumpur by its subsidiaries namely Bungsar Hill Holdings Sdn Bhd, Oriseven Sdn Bhd, Orieight Sdn Bhd and Orinine Sdn Bhd to Jendela Mayang Sdn Bhd for a cash consideration of RM450 million. Bungsar Hill Holdings Sdn Bhd has received an earnest deposit of RM5.5 million and the sale is pending the execution of the sale and purchase agreement which is to be executed within 2 months from 3 March 2014. The deadline for the parties to execute the sale and purchase agreement has been extended to 30 September 2014. Subject to completion, the proposed disposal will contribute a net gain of RM376.2 million to the Group and is expected to be completed in the next financial year.

## 12. Changes in the Composition of the Group

During the financial period, the Group had disposed off the equity interest in Help International Corporation Berhad (“Help”) and its subsidiaries for a cash consideration of RM183,276,292. The sale was completed on 15 January 2014.

There were no other changes in the composition of the Group for the financial period ended 31 July 2014 except as follow:

On 8 July 2014, Jupiter Midas Sdn Bhd, a wholly-owned subsidiary of the Company, was placed under members' voluntary liquidation pursuant to the Companies' Act, 1965.

## 13. Derivatives

The Group has the following derivative agreement to hedge against interest rate risk:

Type of Derivatives	Notional Value AUD'000	Fair Value AUD'000
Interest rate swap		
28/05/2012 – 27/02/2015	25,000	(144)
28/05/2014 – 29/05/2017	25,000	(144)

The rationale of this interest rate swap is to have certainty of interest payment and cash flow. The fair value of the interest rate swap is the estimated amount that the company would receive or pay to terminate the swap. It represents the difference between the fixed and floating rate of the swap as at 31 July 2014.

## 14. Changes in Contingent Liabilities or Contingent Assets since the Last Annual Reporting Date

There were no material changes in contingent liabilities or contingent assets since the last audited reporting date.

## 15. Capital Commitments

The capital and development expenditure approved and contracted for amounted to RM24,074,000 (2013 : RM17,334,000)

## PART B

### Explanatory Notes Pursuant to Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements

#### 1. Review of Performance

The Group recorded a profit before tax of RM9.7 million for the current quarter under review as compared to RM40.0 million for the preceding year corresponding quarter.

The performances of the respective business sectors are as follows:

	3Q 2014 RM'000	3Q 2013 RM'000	PTD2014 RM'000	PTD2013 RM'000
Revenue				
Property Investment Holding	11,403	10,124	33,312	30,771
Property Development	290	1,339	802	3,071
Education	-	28,018	-	90,414
Investment Holding	2,751	2,392	8,384	8,268
Australia Operation	9,142	16,042	31,288	47,228
Others	-	-	-	-
	<u>23,586</u>	<u>57,915</u>	<u>73,786</u>	<u>179,752</u>
	3Q 2014 RM'000	3Q 2013 RM'000	PTD2014 RM'000	PTD2013 RM'000
Profit before tax				
Property Investment Holding	15,571	4,411	149,779	15,522
Property Development	(13)	229	(1,202)	(478)
Education	-	2,067	-	14,953
Investment Holding	(7,181)	41,476	16,855	38,409
Australia Operation	1,305	(8,105)	8,708	14,622
Others	(19)	(35)	(83)	(110)
	<u>9,663</u>	<u>40,043</u>	<u>174,057</u>	<u>82,918</u>

#### Property Investment Holding

Higher profit achieved for the period ended to 31 July 2014 of RM149.8 million as compare to the preceding year corresponding period of RM15.5 million was mainly due to a gain of RM113.1 million from the disposal of Help. The current investment properties still enjoy high occupancy and will continue to contribute positively to the Group.

#### Property Development

The delay in the new launches has resulted in lower revenue and currently the property development division is incurring some losses. The new launching for Bukit Permata is expected to be in the 1<sup>st</sup> quarter of 2015.

#### Education

The sale of Help was completed on 15 January 2014 and thus the Group is only reporting the revenue and expenditure for 2 months as discontinued operation. In the first quarter, Help has incurred a loss of RM1.7 million.

### Investment Holding

For the 9 months under review, it recorded a profit of RM16.9 million as compared to RM38.4 million profit in preceding year corresponding period. The high profit was mainly due to foreign exchange gain of RM39.1 million in the preceding year corresponding period as USD and SGD strengthen against Ringgit.

### Australian Operation

For the 9 months under review, it recorded a profit of RM8.7 million as compared to a profit of RM14.6 million in the preceding year corresponding period. During the period, there was an foreign exchange loss of RM2.6 million as AUD weakened. Whereas the higher profit in the preceding year corresponding period was due to revaluation gain on Claremont Quarter for RM19.8 million and foreign exchange loss of RM5.9

## **2. Comments on Material Changes in the Profit/(Loss) Before Taxation for the Quarter Reported as Compared with the Preceding Quarter**

For the quarter under review, the Group achieved a profit before tax of RM9.7 million as compared to RM7.2 million in the preceding quarter ended 30 April 2014.

The performance of the respective business sectors are as follows:

	3Q2014 RM'000	2Q2014 RM'000
Profit before tax		
Property Investment Holding	15,571	5,456
Property Development	(13)	(440)
Education	-	-
Investment Holding	(7,181)	(6,779)
Australia Operation	1,305	9,014
Others	(19)	(46)
	<u>9,663</u>	<u>7,205</u>

### Property Investment Holding

For the quarter under review, it achieved a higher profit of RM15.6 million as compared to RM5.5 million in the preceding quarter. The increase was mainly due to the gain on the sale of six units of office premises and recovery of service charge and quit rent relating to a piece of land disposed of in prior years.

### Property Development

For the quarter under review the property division incurred some loss as a result of delay in the new launches. New launches for Bukit Permata is expected to be in the 1<sup>st</sup> quarter of 2015.

### Education

For the quarter under review, the Group has disposed of the education operation thus there is no more contribution to the result of the Group. The sale of Help was completed on 15 January 2014.

### Investment Holding

For the quarter it recorded a loss of RM7.2 million as compared to a loss of RM6.8 million in the preceding quarter. The loss for the quarter was mainly due to foreign exchange loss of RM12.9 million as result of the strengthening of Ringgit Malaysian against USD and SGD.

### Australian Operation

For the quarter under review, it recorded a profit of RM1.3 million as compared to a profit of RM9.0 million in the preceding quarter. In the current quarter, the foreign exchange loss of RM2.6 million as AUD weakened against RM. The high occupancy for Claremont Quarters will continue to contribute positively to the Australian operation.

### 3. Current Financial Year Prospects

The property investment sector of the Group are expected to remain stable and will continue to contribute positively to the Group. The occupancy rate for Menara Milenium in Damansara Heights and Claremont Shopping Centre in Perth, Australia remain high. For property development in Bukit Permata and Selayang Mulia, the Group is reviewing its development plan and new launches are expected to be made in early 2015. For the Group Damansara Heights land, the proposed development of the land will be design to provide integration and connectivity with the Mass Rapid Transit project.

Barring unforeseen circumstances, the Group expects the operation in Malaysia and Australia to remain positive in 2014. However, the Groups profitability will be subject to currency fluctuations in view of our overseas investment.

### 4. Variances between Actual Profit and Forecast Profit

Not applicable as no profit forecast was published.

### 5. Tax Expense

Tax expense comprise of the following:

	As at 31.07.2014	
	Current Quarter RM'000	Financial Year To-Date RM'000
Current year provision	2,742	11,721
Deferred taxation	(768)	(6,738)
	<u>1,974</u>	<u>4,983</u>

The effective rate of taxation of the Group is lower than the statutory rate of taxation because of the gain from oversea subsidiary company, Allied Provincial Invest Ltd incorporated in the British Virgin Islands, is tax free and the gain from the disposal of long term quoted investment is not subject to tax.

### 6. Profits/(losses) from Sale of Unquoted Investments and/or Properties Respectively for the Current Quarter and Financial Year-to-date

There was no disposal of unquoted investments and/or properties outside the ordinary course of the Group's business for the current quarter and financial period-to-date.

### 7. Purchase or disposal of quoted securities other than securities in existing subsidiaries and associated companies

Particulars of the purchase or disposal of quoted securities for the year to date at 31 July 2014:-

#### a) Summary of Dealings in Quoted Securities:

	RM'000
Cost of Disposal	14,901
Proceeds from Disposal	17,058
Total gain on disposal	<u>2,157</u>

b) Total investments in quoted securities as at end of the reporting period: -

	RM' 000
i. At cost	408,311
ii. At book value (after provision for impairment)	381,028
iii. At market value	<u>381,028</u>

The sales and purchases of the securities as mentioned in note 7(a) were carried out by the subsidiary Company, Allied Provincial Invest Ltd., a company incorporated in The British Virgin Islands, during the period from 1 November 2013 to 31 July 2014 in the ordinary course of business. The principal activity of the said subsidiary company is that of investment holding and the transactions are of a revenue nature.

The sales and purchases of the above securities were in respect of quoted securities held overseas.

## 8. Status of Corporate Proposals

There were no outstanding corporate proposals as at the date of this report.

## 9. Group Borrowings

Total Group borrowings and debt securities as at 31 July 2014 are as follows: -

Security	Currency	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	AUD	240,813	-	240,813
Unsecured	RM	11,025	-	11,025
Total		<u>251,838</u>	<u>-</u>	<u>251,838</u>

The foreign currency term loan bears interest at rate ranging from 5.58% to 6.61% will mature on 28 February 2015 and is secured by a registered mortgage over investment properties of the Group.

## 10. Derivatives

The Group has the following derivative agreement to hedge against interest rate risk:

Type of Derivatives	Notional Value AUD '000	Fair Value AUD '000
Interest rate swap (28/05/2012 – 27/02/2015)	25,000	(144)
(28/05/2014 – 29/05/2017)	25,000	(144)

The rationale of this interest rate swap is to have certainty of interest payment and cash flow. The fair value of the interest rate swap is the estimated amount that the company would receive or pay to terminate the swap. It represents the difference between the fixed and the floating rate of the swap as at 31 July 2014.

## 11. Material Litigation

There are no other changes in material litigation since the last annual reporting date.

## 12. Dividend

The Board of Directors does not recommend any dividend for the current quarter ended 31 July 2014.

## 13. Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31.07.2014	Preceding Year Corresponding Quarter Ended 31.07.2013	Current Year To Date Ended 31.07.2014	Preceding Year Corresponding Period 31.07.2013
Net profit/(loss) for the period attributable to shareholders of the parent (RM'000)	7,689	34,805	168,547	60,997
Basic earnings/(loss) per share (sen)	2.24	10.13	49.05	17.75
Number of ordinary shares in issue ('000)	343,617	343,617	343,617	343,617

## 14. Additional Disclosures

Notes to the Statement of Comprehensive Income comprises:-

	9 Months Ended 31.07.2014 RM'000	Year Ended 31.10.2013 RM'000
Interest income	5,643	11,086
Other income including investment income	148,306	31,368
Interest expense	(10,861)	(18,432)
Depreciation and amortization	(364)	(10,808)
Provision for write off of receivables	N/A	(217)
Provision for and write off of inventories	N/A	N/A
Gain or (loss) on disposal of quoted or unquoted investments or properties	2,157	1,638
Impairment of assets	N/A	N/A
Foreign exchange gain/(loss)	(3,230)	3,244
Gain or loss on derivatives	N/A	N/A
Exceptional item	N/A	N/A

PART C

**1. Disclosure of Realised and Unrealised Profits or losses**

The breakdown of the retained profits of the Group as at the reporting date into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with guidance on special matter No.1 determination of realised and unrealised profits or losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad listing requirements as issued by the Malaysian Institute of Accountants.

	As At 31.07.2014 RM'000	As At 31.10.2013 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	1,826,582	1,735,150
- Unrealised	<u>350,437</u>	<u>391,918</u>
	2,177,019	2,127,068
Less: Consolidated adjustments	<u>(771,783)</u>	<u>(787,294)</u>
Retained earnings as per financial statements	<u>1,405,236</u>	<u>1,339,774</u>