

TA ENTERPRISE BERHAD (194867-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2014

	AS AT END OF CURRENT QUARTER 30/4/2014 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/1/2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,086,336	2,090,875
Investment properties	220,958	221,939
Land held for property development	415,976	415,126
Intangible assets	288,670	284,311
Associated companies	24,126	24,173
Joint ventures	85,004	86,157
Deferred tax assets	10,309	10,253
Investment securities	67,188	68,346
Financial receivables	407,780	380,328
	<u>3,606,347</u>	<u>3,581,508</u>
Current assets		
Property development costs	206,712	195,943
Inventories	47,805	47,998
Financial receivables	61,086	78,903
Trade receivables	607,855	491,697
Other receivables	102,377	129,467
Investment securities	634,887	601,473
Short term funds	642,800	717,918
	<u>2,303,522</u>	<u>2,263,399</u>
TOTAL ASSETS	<u>5,909,869</u>	<u>5,844,907</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,711,910	1,711,910
Reserves	124,524	80,571
	<u>1,836,434</u>	<u>1,792,481</u>
Non-controlling interests	<u>1,263,700</u>	<u>1,239,423</u>
TOTAL EQUITY	<u>3,100,134</u>	<u>3,031,904</u>
Non-current liabilities		
Deferred tax liabilities	231,163	231,714
Borrowings	284,648	362,814
Provision for liabilities	-	2,148
	<u>515,811</u>	<u>596,676</u>
Current liabilities		
Borrowings	1,563,056	1,325,215
Provision for liabilities	3,106	3,402
Trade payables	422,470	398,314
Other payables	274,408	474,551
Derivatives	13,510	3,200
Income tax payable	17,374	11,645
	<u>2,293,924</u>	<u>2,216,327</u>
TOTAL LIABILITIES	<u>2,809,735</u>	<u>2,813,003</u>
TOTAL EQUITY AND LIABILITIES	<u>5,909,869</u>	<u>5,844,907</u>
Net assets value per share (RM)	<u>1.81</u>	<u>1.77</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2014)

TA ENTERPRISE BERHAD (194867-M)
CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/4/2014 RM'000	30/4/2013 RM'000	30/4/2014 RM'000	30/4/2013 RM'000
Revenue	210,434	180,924	210,434	180,924
Other income	56,595	34,142	56,595	34,142
Other expenses	(152,969)	(149,532)	(152,969)	(149,532)
Profit from operations	114,060	65,534	114,060	65,534
Finance costs	(10,952)	(7,994)	(10,952)	(7,994)
Share of losses in associated companies, net of tax	(47)	(89)	(47)	(89)
Share of losses in joint ventures	-	-	-	-
Profit before tax	103,061	57,451	103,061	57,451
Income tax expense	(15,246)	(5,867)	(15,246)	(5,867)
Profit for the period	87,815	51,584	87,815	51,584
Profit attributable to:				
Equity holders of the Company	57,710	33,912	57,710	33,912
Non-controlling interests	30,105	17,672	30,105	17,672
	87,815	51,584	87,815	51,584
Earnings per share attributable to equity holders of the Company				
Basic (sen)	3.37	1.98	3.37	1.98
Fully diluted (sen)	3.37	1.98	3.37	1.98

AS AT END OF CURRENT QUARTER
AS AT PRECEDING FINANCIAL YEAR END

Net assets value per share (RM)

1.81

1.77

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2014)

TA ENTERPRISE BERHAD (194867-M)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/4/2014 RM'000	30/4/2013 RM'000	30/4/2014 RM'000	30/4/2013 RM'000
Profit for the period	87,815	51,584	87,815	51,584
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operation	1,227	(39,535)	1,227	(39,535)
Foreign currency translation gain reclassified to profit or loss	(20,211)	-	(20,211)	-
Available-for-sale financial assets				
- Net fair value gain/(loss)	(262)	5,094	(262)	5,094
- Reclassification to profit or loss	-	(2,052)	-	(2,052)
Income tax relating to components of other comprehensive income	(250)	30	(250)	30
Other comprehensive income for the period, net of tax	(19,496)	(36,463)	(19,496)	(36,463)
Total comprehensive income for the period	68,319	15,121	68,319	15,121
Total comprehensive income attributable to:				
Equity holders of the Company	43,953	11,289	43,953	11,289
Non-controlling interests	24,366	3,832	24,366	3,832
	68,319	15,121	68,319	15,121

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2014)

TA ENTERPRISE BERHAD (194867-M)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2014**

	----- Attributable to equity holders of the Company -----						Accumulated losses	Total	Non- controlling interests	Total equity
	----- Non-distributable -----			Available -for-sale reserve	Exchange translation reserve	Exchange difference recognised in equity				
	Share capital	Share premium	Capital reserve	Available -for-sale reserve	Exchange translation reserve	Exchange difference recognised in equity				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 February 2013, as restated	1,711,910	63,208	10,267	3,496	228,677	35,565	(360,442)	1,692,681	1,231,951	2,924,632
Total comprehensive income for the period										
- Profit for the period	-	-	-	-	-	-	33,912	33,912	17,672	51,584
- Other comprehensive income	-	-	-	2,924	(13,231)	(12,316)	-	(22,623)	(13,840)	(36,463)
	-	-	-	2,924	(13,231)	(12,316)	33,912	11,289	3,832	15,121
At 30 April 2013	1,711,910	63,208	10,267	6,420	215,446	23,249	(326,530)	1,703,970	1,235,783	2,939,753
At 1 February 2014	1,711,910	63,208	10,267	7,588	208,988	36,342	(245,822)	1,792,481	1,239,423	3,031,904
Total comprehensive income for the period										
- Profit for the period	-	-	-	-	-	-	57,710	57,710	30,105	87,815
- Other comprehensive income	-	-	-	(790)	(8,471)	(4,496)	-	(13,757)	(5,739)	(19,496)
	-	-	-	(790)	(8,471)	(4,496)	57,710	43,953	24,366	68,319
Transaction with owners										
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(89)	(89)
Total transaction with owners	-	-	-	-	-	-	-	-	(89)	(89)
At 30 April 2014	1,711,910	63,208	10,267	6,798	200,517	31,846	(188,112)	1,836,434	1,263,700	3,100,134

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2014)

TA ENTERPRISE BERHAD (194867-M)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2014**

	3 months ended	
	30/4/2014 RM'000	30/4/2013 RM'000
Operating Activities		
Profit before tax	103,061	57,451
Adjustments for:		
Non-cash items	35,945	19,467
Non-operating items	(46,151)	(21,446)
Operating profit before changes in working capital	92,856	55,472
Net decrease/(increase) in assets	131,017	286,879
Net (decrease)/increase in liabilities	(205,993)	(250,108)
Cash generated from operations	17,879	92,243
Interest (paid)/received	39,452	710
Taxes (paid)/refunded	(7,901)	(13,425)
Net cash generated from operating activities	49,430	79,528
Investing Activities		
Interest received	6,824	12,591
Investment in associated company	-	(25)
Dividend received	89	139
Investment in jointly controlled entities - unincorporated	-	147
Development cost on land held for development	(850)	(67)
Purchase of property, plant and equipment	(3,778)	(8,169)
Proceeds from disposal of property, plant and equipment	1,268	-
Purchase of investment properties	(943)	-
Purchase of derivatives	-	(3,775)
Proceeds from settlement of derivatives	2,974	4,323
Net (purchase)/proceeds from disposal of investment securities	(235,755)	5,439
Other receipts/(payments)	(15)	2
Net cash (used in)/generated from investing activities	(230,187)	10,605
Financing Activities		
Interest paid	(10,321)	(7,348)
Net drawdown of borrowings	158,315	143,204
(Increase)/decrease in pledged deposits for financing facilities	(41)	39
Net cash generated from financing activities	147,953	135,895
Net (decrease)/increase in Cash & Cash Equivalents during the period	(32,803)	226,028
Cash & Cash Equivalents at beginning of year		
As previously reported	575,776	183,527
Effects of exchange rate changes	(6,525)	(2,517)
As restated	569,251	181,010
Cash & Cash Equivalents at end of current period which exclude monies held in trust, and fixed deposits pledged to financial institutions	536,448	407,038

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 January 2014)

TA ENTERPRISE BERHAD (194867-M)

Quarterly Report for the Financial Period Ended 30 April 2014

NOTES TO THE QUARTERLY REPORT

A1 Basis of Preparation

The quarterly financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard (FRS) 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The quarterly financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 January 2014.

A2 Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the audited financial statements for the year ended 31 January 2014, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and IC interpretations.

		Effective for financial periods beginning on or after
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127	Investments Entities	1 January 2014
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014
FRS 9	Mandatory Effective Date of FRS 9 and Transition Disclosures (Amendments to FRS 9 and FRS 7)	Immediately

The adoption of the above revised standards, amendments/improvements to existing standards and IC Interpretations did not have any significant impact on the financial statements of the Group in the period of initial application.

Malaysian Financial Reporting Standards Framework ("MFRS Framework")

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

A2 Changes in Accounting Policies (cont'd.)

Malaysian Financial Reporting Standards Framework (“MFRS Framework”) (cont'd)

On 4 July 2014, the MASB has allowed Transitioning Entities to defer the adoption of the MFRS Framework to annual period on or after 1 January 2014.

On 7 August 2014, MASB has decided to extend the transitional period for another year i.e. the adoption of the MFRS Framework by all entities for annual financial period beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 January 2016. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 January 2016.

A3 Auditors’ Report of Previous Annual Financial Statements

The auditors’ report of the preceding annual financial statements was not qualified.

A4 Seasonal or Cyclical Factors

The Group’s operations are not affected by any seasonal or cyclical factors other than the volatility in the trading volume and share prices on the Bursa Malaysia and the seasonal factors that affect the occupancy and room rates of the Group’s hotel operations.

A5 Unusual Items Affecting the Financial Statements

There were no items affecting assets, liabilities, equity, net income or cash flows during the financial period under review that were unusual because of their nature, size or incidence.

A6 Changes in Accounting Estimates

There were no changes in estimates that have had a material effect in the current financial quarter results.

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities since the last annual reporting date.

A8 Dividends Paid

No dividend has been paid during the current financial quarter.

A9 Segmental Information

Segment revenue and segment results for the current financial period to date:

	Broking and financial services	Investment holding and Others	Credit and lending	Property investment	Property development	Hotel operations	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External sales	34,244	19,482	5,897	11,207	18,106	121,498		210,434
Inter-segment sales	-	6,342	1,510	7,048	33	-	(14,933)	-
Total revenue	<u>34,244</u>	<u>25,824</u>	<u>7,407</u>	<u>18,255</u>	<u>18,139</u>	<u>121,498</u>	<u>(14,933)</u>	<u>210,434</u>
Other income	7,045	1,316	46,456	672	544	562	-	56,595
Results								
Net segment results	10,604	3,321	41,665	3,444	4,304	28,203	-	91,541
Foreign exchange (losses)/gains	416	26,036	(3,847)	19	-	4,189	-	26,813
Unallocated costs								<u>(4,294)</u>
Profit from operations								114,060
Finance costs	(304)	(4,905)	(855)	(2,031)	(1,461)	(1,396)	-	(10,952)
Share of results of associated companies	-	-	-	(47)	-	-	-	<u>(47)</u>
Profit before tax								103,061
Income tax expense								<u>(15,246)</u>
Profit for the year								<u>87,815</u>
Attributable to:								
Equity holders of the Company								57,710
Non-controlling interests								<u>30,105</u>
								<u>87,815</u>

A10 Subsequent Events

There were no material events subsequent to the end of the current financial quarter except as disclosed below:-

Conversion of Irredeemable Convertible Preference Shares "ICPS" to Ordinary Shares

TA Global Bhd. ("TA Global") issued 12,163,519 ordinary shares pursuant to the conversion of ICPS by other ICPS holders during the period from 1 May 2014 to 23 June 2014.

The above conversions had resulted in the Company's effective interest in TA Global to decrease from 63.10% as at 30 April 2014 to 62.95% as at 23 June 2014.

A10 Subsequent Events (cont'd)

Dissolution of a Foreign Subsidiary

On 15 May 2014, TA Global announced that Aava Whistler Holdings Ltd, a wholly-owned subsidiary of TA Global Group which was incorporated in Canada, had been dissolved.

As Aava Whistler Holdings Ltd is inactive, its dissolution will have no material financial and operational effect on the Group.

Completion of Payment of the Acquisition of the Little Bay Cove Residential Project ("the Project") in Sydney, Australia and Acquisition of Foreign Subsidiary – Charter Hall Opportunity Fund No.5 ("CHOF5") Little Bay Pty Ltd

On 30 May 2014, TA Global announced that:

- (a) Crystal Ingenious Sdn Bhd ("CISB"), the wholly-owned subsidiary of TA Global Group has acquired 100% of the issued shares of Little Bay Pty Ltd ("LBPL") comprising of 100 ordinary for a total consideration of A\$3.00. This takes into account all liabilities of LBPL in respect of the following:
 - (i) The repayment of the principal amount of A\$77.6 million owing by LBPL to Westpac Banking Corporation ("Westpac") under the Westpac Note Facility Deed dated 12 April 2011 as amended from time to time between LBPL, Westpac, CHOF5 Little Bay Finance Pty Limited, CHOF5 and Charter Hall Holdings Pty Ltd ("CHH");
 - (ii) The refund of A\$7.7 million to CHOF5 being CHOF5's voluntary prepayment to Westpac in October 2012;
 - (iii) TA Antarabangsa Development Ltd ("TAADL") Mezzanine Loan of A\$72.0mil; and
 - (iv) CHOF5's existing Mezzanine Loan of A\$72.0mil granted to LBPL under the Mezzanine Loan Agreement dated 18 October 2010 between CHOF5 and LBPL for the provision of debt funding required by LBPL for the development of the Project ("CHOF5 Mezzanine Loan").
- (b) CISB has purchased the CHOF5 Mezzanine Loan from CHOF5 for a total consideration of A\$12.5mil as adjusted. CISB notes that the total consideration of A\$12.5mil is subject to adjustment depending on the final project costs established once the final subdivision is achieved.
- (c) CHOF5 has novated to CISB all its rights under the CHOF5 Mezzanine Loan and a Deed of Charge dated 20 December 2010 between LBPL and CHOF5. The CHOF5 Mezzanine Loan and TAADL Mezzanine Loan structure will continue to be in place following completion of the Proposed Acquisition.
- (d) CHH has novated to TA Global Development Pty Ltd ("TAGDPL") CHH's interests under the Development Management Agreement dated 18 October 2010 between TAGDPL, CHH and LBPL for the provision of services by TAGDPL and CHH to LBPL relating to the development of the Project.

As completion has taken place, LBPL is now the wholly-owned subsidiary of CISB and TA Global Group has a 100% interest in LBPL, the Property and the Project. Pursuant to the completion of the acquisition of LBPL by CISB on 30 May 2014, the name of LBPL shall be simultaneously changed to TA Little Bay Pty Limited.

A10 Subsequent Events (cont'd)

Completion of Payment of the Acquisition of the Little Bay Cove Residential Project (“the Project”) in Sydney, Australia and Acquisition of Foreign Subsidiary – Charter Hall Opportunity Fund No.5 (“CHOF5”) Little Bay Pty Ltd (cont'd)

LBPL (A.C.N. 125 760 483) was incorporated on 4 June 2007 as a proprietary company limited by shares in Victoria, Australia under the Corporations Act 2001. Its issued and paid-up share capital comprises 100 ordinary shares of A\$0.02 each. LBPL is the registered proprietor and beneficial owner of the Little Bay project land located at Anzac Parade, Little Bay, New South Wales (“the Property”). LBPL was incorporated to hold and develop the Property and its activities relates solely to the Property.

The Group has also obtained the approval from Foreign Investment Review Board for the aforesaid acquisition.

A11 Changes in the Composition of the Group

Acquisition of non-controlling interests

- (a) On 17 February 2014, TA Global announced that TA First Credit Sdn Bhd (“TAFC”) has acquired 1 ordinary share of RM1.00 each representing 50% equity interest in TFC Nominees (Asing) Sdn Bhd (“TFC Nominees”) for a total consideration of RM1.00. TFC Nominees is currently dormant. TAFC is currently holding 50% equity interest in TFC Nominees. Pursuant to the acquisition, TFC Nominees shall be a wholly-owned subsidiary of TAFC and TA Global shall be the ultimate holding of TFC Nominees.
- (b) On 17 February 2014, TA Global announced that TA Properties Sdn Bhd (“TAP”) has acquired 490,000 ordinary shares of RM1.00 each representing 49% equity interest in Binaprestij Maju Sdn Bhd (“Binaprestij”) for a total consideration of RM1.00. Binaprestij’s principal activity is general construction and is currently inactive. TAP is currently holding 51% equity interest in Binaprestij. Pursuant to the acquisition, TAP shall be a wholly-owned subsidiary of Binaprestij and TA Global shall be the ultimate holding of Binaprestij.

Acquisition of a foreign subsidiary

On 7 March 2014, ERF Properties Sdn Bhd, a wholly-owned subsidiary of Cosmic Legion Sdn Bhd, which in turn is a wholly-owned subsidiary of TA Properties Sdn Bhd, which in turn is a wholly-owned subsidiary of TA Global has acquired 1 share of HK\$1.00 each representing 100% equity in Maxfine International Limited (“Maxfine”), a foreign subsidiary, for a total consideration of HK\$1.00. Maxfine’s principal activity is investment holding.

Conversion of TAG’s Irredeemable Convertible Preference Shares “ICPS” to Ordinary Shares

During the financial period ended 30 April 2014, TA Global issued 15,215,378 ordinary shares pursuant to the conversion of ICPS by the ICPS holders. The conversion is satisfied by surrendering 1 ICPS of RM0.50 each in TA Global for each new TA Global’s ordinary share of RM0.50 each.

The conversion above had resulted in the Company’s effective interest in TA Global to decrease from 63.29% at the beginning of the financial year to 63.10% as at 30 April 2014.

A12 Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities since the last annual reporting date. The Group does not have any contingent assets.

A13 Commitments

The amount of capital commitments not provided for in the interim financial statements as at 30 April 2014 is as follow:

	<u>RM'000</u>
Approved and contracted for:-	
- Renovation	19,429
- Jointly controlled entities	156,545
- Acquisition of a residential project	296,803
	<u>472,777</u>

B1 Performance Analysis of the Group's Operating Segments

Analysis of the profit before tax for the current and preceding year's first quarter:

	Current Year Quarter 30 April 2014 RM'000	Preceding Year Corresponding Quarter 30 April 2013 RM'000
Revenue	210,434	180,924
Other income		
- Interest income from overdue financial receivables	38,821	64
- Interest income from financial institutions	2,997	2,186
- Interest income from a joint venture in which the Group has 65% interest	-	272
- Interest income from investment securities	4,339	10,768
- Other interest income	120	89
- Gain on disposal of investment securities	5,676	14,675
- Realised fair value gain on derivatives	2,974	667
- Rental income	851	1,700
- Deemed fee income from provision of financial guarantee	-	734
- Others	817	2,987
	56,595	34,142
Other expenses		
- Amortisation and depreciation	(19,419)	(19,917)
- Cost of properties and building materials sold	(13,272)	(16,382)
- Remisiers', agents' and futures brokers' commissions	(9,397)	(6,269)
- Hotel operational expenses (include hotel personnel cost)	(79,182)	(81,561)
- Personnel and others	(37,167)	(25,659)
- Fair value gain/(loss) on revaluation of investments	(13,430)	(8,560)
- Unrealised fair value gain/(loss) on derivatives	(10,399)	(717)
- Reversal/ (Allowance) of impairment loss on receivables	2,484	(59)
- Impairment loss on investment securities	-	(258)
- Foreign exchange (loss)/gain	26,813	9,850
	(152,969)	(149,532)
Finance costs	(10,952)	(7,994)
Share of results of associated companies	(47)	(89)
Profit before tax	103,061	57,451

B1 Performance Analysis of the Group's Operating Segments (cont'd)

The Group reported profit before tax of RM103.1million and revenue of RM210.4million for the current first quarter, compared to profit before tax of RM57.4million and revenue of RM180.9million respectively achieved in the previous year's corresponding quarter.

The increase in profit before tax was mainly attributable to contribution from broking and financial services, credit and lending, hotel operation and investment holding division.

The performance of the Group's key operating segments are analysed as follows:-

Broking and financial services

Profit before tax of the broking and financial services division increased by 56% to RM10.7million in the current year's first quarter as compared to the previous year's corresponding quarter.

This division enjoyed higher revenue and profit before tax resulted from an increase in brokerage income.

Investment holding

Investment holding division reported profit before tax of RM24.4million in the current year's first quarter, as compared to profit before tax of RM8.4 million in the previous year's corresponding quarter.

This division enjoyed higher net foreign exchange translation gain mainly resulted from realization of forex upon partial settlement of Canadian Dollar denominated promissory notes.

Credit and lending

For the current year's first quarter, credit and lending division contributed RM37.0 million profit before tax to the Group, as compared to profit before tax of RM13.1 million in the previous year's corresponding quarter.

Despite the absence of gain on redemption of bond and higher fair value loss on investments, this division enjoyed higher profit before tax due to loan recovery, higher investment interest income and higher realised fair value gain on derivatives.

Property investment

Property investment division reported profit before tax of RM1.4million in the current year's first quarter, as compared to profit before tax of RM2.1million in the previous year's corresponding quarter. This was mainly due to lower rental income generated from investment properties.

Property development

Property development division registered profit before tax of RM2.8million in the current year's first quarter, as compared to RM2.6million in previous year's corresponding quarter.

The slight increase in profit was due to the steady progress of the ongoing development projects in Damansara Avenue.

B1 Performance Analysis of the Group's Operating Segments (cont'd)

Hotel operations

Hotel operations division registered net operating profit of RM26.8million in the current year's first quarter, as compared to RM26.6million in the previous year's corresponding quarter.

Hotel operations had contributed sustainable revenue to the Group. Current year's period-to-date profit before tax of the division had increased by 10% to RM31.0million due to foreign exchange translation gain arising from the depreciation of USD against THB.

B2 Material Changes in Profit Before Tax for the Current Quarter Compared with the Preceding Quarter

The Group registered profit before tax of RM103.1million in the current year's first quarter as compared to RM40.5million in the preceding quarter. Besides higher operating profits from the broking and hotel operations divisions, the Group enjoyed foreign exchange translation gain on partial settlement of Canadian Dollar denominated borrowings and lower personnel cost.

B3 Prospects for the current financial year

The global economy is expected to be challenging, resulting from the rollback of the Quantitative Easing in US and slower than expected growth in China. However, domestic economy is expected to be resilient because of sustainable domestic demand and recovery in exports due to the weakening of the Malaysian Ringgit against US Dollar.

The Prospects for each business division is summarized below: -

Broking and financial services

Market sentiment is likely to be affected by the continuous rollback of the Quantitative Easing program in the US, and slower than expected growth in China. Liquidity might face a minor setback if foreigners continue to unwind and head back to the US shores. Nonetheless, an expected strong recovery in exports in second half of 2014 is expected to attract interest into the Malaysian equity market.

We expect the stockbroking division to continue to operate in a highly competitive and challenging environment. We will also continue to promote fee, based business and other innovative products to boost our revenue.

Our latest branch in Segamat, Johor was opened in October 2013 and we will continue to look for strategic locations to grow our branch network.

The investment management unit will be launching new and diversified unit trust funds to fulfill market needs and to expand its distribution channel. We plan to tie-up with more Unit Trust Management Company to increase our third party funds distribution. We are also actively developing our private mandate business by targeting corporate clients.

The Group will continue its expansion plan on its derivative trading and commodity products and services.

Credit and Lending

The credit and lending division will continue to provide financing to individual and corporate investors for new initial public offerings and staff of corporations who are given share entitlements under their Employees Share Option Schemes. As many big cap companies are aiming for flotation on Bursa Malaysia this year, business opportunities are expected to be good and we are optimistic of our earnings growth prospects in FYE 2015.

The Group will continue to seek investment opportunity to maximize finance income.

Property Investment

The Group is projected to experience a lower income contribution from overseas and local property investments for the next financial year in view of the expected upgrading works to be undertaken in some of the investment properties. We are confident that these upgrading works will generate higher returns for the Group in the future.

Property development

Despite lower demand on higher priced properties and rising costs pressures, the Group will continue to focus on its Damansara Avenue project. New launches shall be expected post GST implementation in the next financial year and hence the earnings from the property development are expected to be lower in the current financial year.

B3 Prospects for the next financial year (cont'd)

Hotel Operations

Our hospitality business spanning across Singapore, Australia and Thailand is expected to continue to generate a stable recurrent income stream for the Group. The growth and performance of hospitality business in China and Canada in the current financial year will be driven and dependant on its country's economic growth.

We will continue to explore and evaluate opportunities to acquire new hotel properties to expand our existing hotels portfolio and to enhance the revenue contribution from hospitality division.

Barring any unforeseen circumstances, the Group will continue to be profitable in the financial year ending 31 January 2015.

B4 Variance between Actual Profit and Forecast Profit

Not applicable.

B5 Taxation

a) Taxation for the current financial period is as follows:

	Current quarter/ Year-to-date RM'000
Estimated tax charge for the period:	
- Malaysian income tax	15,864
- Foreign tax	1,171
Deferred tax	(598)
(Over)/under provision in prior year	
- Malaysian income tax	-
- Foreign tax	(1,191)
	<u>15,246</u>

b) A reconciliation between the statutory and effective tax rate:

	Current quarter/ Year-to-date RM'000
Profit before taxation	<u>103,061</u>
Taxation at the statutory income tax rate of 25%	25,765
Adjustments mainly due to the utilisation of previously unabsorbed tax losses and capital allowances, certain income not subject to tax net of certain expenses not deductible for tax purpose	(10,519)
Tax expense for the financial period	<u>15,246</u>

B6 Corporate Proposals

Status of Corporate Proposals

All corporate proposals announced have been completed at the date of this quarterly report.

B7 Group Borrowings and Debt Securities

Total Group borrowings as at 30 April 2014 were as follows:-

	Secured RM'000	Unsecured RM'000
<i>Long term borrowings</i>		
Foreign currency loans	184,843	-
Revolving credits	99,805	-
<i>Short term borrowings</i>		
Foreign currency loans and revolving credits (including share of joint operation's loan)	1,271,056	-
Loans and revolving credits	195,000	97,000
	<u>1,750,704</u>	<u>97,000</u>

Denomination of secured foreign currency loans and revolving credits:-

<i>Long-term borrowings</i>		RM'000
C\$	56,391,510	168,148
RMB	32,000,000	16,695
		<u>184,843</u>
<i>Short-term borrowings</i>		
C\$	54,971,932	163,915
S\$	181,100,000	470,806
A\$	25,750,036	78,146
US\$	159,677,013	521,425
RMB	20,000,000	10,434
HK\$	15,671,723	6,602
EUR	1,099,463	4,953
GBP	2,691,169	14,775
		<u>1,271,056</u>

Loans and revolving credits denominated in RM bear interest rates ranging from 3.8% to 4.6%, of which RM294,805,000 are secured by corporate guarantee and certain properties in Kuala Lumpur.

Secured foreign currency loans and revolving credits of the Group are as follows:-

(1) Loans denominated in C\$

- (a) A 15-year term loan (C\$24,951,739) will mature on 5 December 2020;
- (b) A 20-year term loan (C\$36,165,863) will mature on 5 June 2016;

The above term loans (a) & (b) are secured against a freehold land and building in Canada and the assignment of rentals and general security agreement over the aforesaid land and building.

- (c) Three 5-year term loans (total of C\$1,660,688) will mature on 1 March 2015.

The loans are secured by mortgage and general security agreements in respect of the 3 residential properties in Canada.

B7 Group Borrowings and Debt Securities (cont'd)

(1) Loans denominated in C\$ (cont'd)

- (d) Short term revolving credits (C\$6,750,000) is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore.

The revolving credits bear interest rates ranging from 2.5% to 2.7% per annum.

- (e) Share of joint operation's loan (C\$41,835,152) will mature on November 2014.

The loan bears interest rate ranging 3.7% to 4.1% and is secured by corporate guarantee.

(2) Loan denominated in S\$

A 5-year term loan (S\$181,100,000) with a scheduled principal repayment S\$1,700,000 at the end of each of the 3 months from 30 November 2009 will mature on 30 November 2014, bears average interest rate of 1.7%, and is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore.

(3) Loan denominated in A\$

- (a) A floating rate bill facility amounting to A\$23,250,000 will mature on 28 February 2015. The loan is secured against a hotel in Australia.

The loan bears interest rates ranging from 4.5% to 4.6% per annum.

- (b) Short term revolving credit (A\$2,500,036) is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore.

The revolving credit bears interest rates ranging from 4.1% to 4.2% per annum.

(4) Loans denominated in US\$

Short-term loans amounting to US\$159,677,013 are on rollover basis. The loans are secured against certain investment securities, and bear interest rates ranging from 0.4% to 0.6% per annum.

(5) Loans denominated in RMB

Three term loans (total of RMB52,000,000) carries maturities from 20 December 2014 to 24 April 2016.

The loans are subject to average interest rate of 5.64%, and are secured against a hotel building and land use rights in China.

(6) Loans denominated in HK\$

Short-term loans amounting to HK\$15,671,723 are on rollover basis. The loans are secured against certain investment securities and bear average interest of 0.44% annum.

(7) Loans denominated in EUR

Short-term loans amounting to EUR1,099,463 are on rollover basis. The loans are secured against certain investment securities and bear average interest of 0.5% annum.

B7 Group Borrowings and Debt Securities (cont'd)

(8) Loans denominated in GBP

Short-term loans amounting to GBP2,691,169 are on rollover basis. The loans are secured against certain investment securities and bear average interest of 0.5% annum.

B8 Material Litigation

As at 23 June 2014, there were no changes in material litigation since the last annual reporting date of 31 January 2014.

B9 Dividend

Apart from the first and final single-tier dividend of 2.8% (2.8 sen per ordinary share) in respect of the financial year ended 31 January 2014 approved by shareholders during the Annual General Meeting on 20 June 2014, there was no further dividend declared as at the date of this announcement.

B10 Disclosure of derivatives

Types of derivatives/Maturity	Contract/Notional value	Fair value asset/(liability)
Geared Equity Accumulators -Less than 1 year	RM 337,780,492	(RM13,144,925)
Geared Equity Decumulators -Less than 1 year	RM 44,454,503	(RM365,076)

The Group has entered into accumulators and decumulators which formed part of the Group's investment portfolio with a view to maximise the Group's performance.

The above contracts are entered into in accordance with the Group's risk management policies and are executed with credit-worthy financial institutions.

These contracts are stated at fair values, using valuation technique with market observable inputs. Derivatives with positive market values are included under current assets and derivatives with negative market values are included under current liabilities. Any changes in fair values during the period are taken directly into the income statement.

B11 Disclosure of gains/losses arising from fair value changes of financial liabilities

There were no gains/losses arising from fair value changes of financial liabilities for the current financial quarter.

B12 Disclosure of realised and unrealised profits/(losses)

Bursa Malaysia Securities Berhad (“Bursa Malaysia”) has, on 25 March 2010 and 20 December 2010, issued directives requiring all listed corporations to disclose the breakdown of retained profits or accumulated losses into realised and unrealised in quarterly reports and annual audited financial statements.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits are as follows:

	Current quarter RM'000	As at the end of last financial year RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
-Realised	1,129,471	973,103
-Unrealised	(189,366)	(120,850)
	<u>940,105</u>	<u>852,253</u>
Total share of retained profits of associated companies:		
-Realised	1,777	1,824
-Unrealised	78	78
	<u>1,855</u>	<u>1,902</u>
Total share of losses in joint venturer - Realised	(5,232)	(5,232)
	<u>936,728</u>	<u>848,923</u>
Less: Consolidation adjustments	(1,124,840)	(1,094,745)
Total (accumulated losses)/retained profits as per Statement of Financial Position	<u>(188,112)</u>	<u>(245,822)</u>

B13 Earnings Per Share (EPS) attributable to equity holders of the Company

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30 Apr 2014	Preceding year corresponding quarter 30 Apr 2013	Current year to date 30 Apr 2014	Preceding year corresponding period 30 Apr 2013
Basic earnings per share				
Profit for the period (RM'000) - attributable to equity holders of the Company	57,710	33,912	57,710	33,912
Weighted average number of ordinary shares in issue ('000)	1,711,910	1,711,910	1,711,910	1,711,910
Basic earnings per share (sen)	<u>3.37</u>	<u>1.98</u>	<u>3.37</u>	<u>1.98</u>

Basic earnings per share was calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share were not computed for the current and preceding period as the Company does not have any dilutive potential ordinary shares in issue as at the end of the reporting period.

BY ORDER OF THE BOARD
Chuah Wen Pin

Kuala Lumpur
30 June 2014