

TA ENTERPRISE BERHAD (194867-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2015

	AS AT END OF CURRENT QUARTER 30/4/2015 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/1/2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,931,798	1,953,375
Investment properties	493,478	376,180
Land held for property development	728,707	728,541
Intangible assets	352,788	352,463
Investment in associates	14,578	23,646
Investment in joint ventures	102,520	82,128
Deferred tax assets	11,883	12,430
Investment in securities	74,949	72,506
Receivables	301,367	288,152
	<u>4,012,068</u>	<u>3,889,421</u>
Current assets		
Property development costs	174,426	231,756
Inventories	52,202	92,877
Tax recoverable	13,982	13,370
Receivables	670,027	718,994
Investment in securities	978,039	842,619
Cash and short term deposits	542,160	583,624
	<u>2,430,836</u>	<u>2,483,240</u>
Assets under disposal group	113,626	7,209
	<u>6,556,530</u>	<u>6,379,870</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,711,910	1,711,910
Reserves	235,665	125,132
	<u>1,947,575</u>	<u>1,837,042</u>
Non-controlling interests	1,286,263	1,250,998
TOTAL EQUITY	<u>3,233,838</u>	<u>3,088,040</u>
Non-current liabilities		
Deferred tax liabilities	274,647	274,221
Borrowings	1,007,837	1,003,723
Payables	-	2,558
	<u>1,282,484</u>	<u>1,280,502</u>
Current liabilities		
Borrowings	1,293,807	1,240,959
Payables	686,432	746,135
Derivatives	1,783	7,815
Income tax payable	13,431	16,149
	<u>1,995,453</u>	<u>2,011,058</u>
Liabilities under disposal group	44,755	270
TOTAL LIABILITIES	<u>3,322,692</u>	<u>3,291,830</u>
TOTAL EQUITY AND LIABILITIES	<u>6,556,530</u>	<u>6,379,870</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.14</u>	<u>1.07</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015)

TA ENTERPRISE BERHAD (194867-M)
CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30/4/2015 RM'000	30/4/2014 RM'000	30/4/2015 RM'000	30/4/2014 RM'000
Revenue	194,289	210,434	194,289	210,434
Other income	34,235	56,595	34,235	56,595
Other expenses	(67,482)	(152,969)	(67,482)	(152,969)
Profit/(loss) from operations	161,042	114,060	161,042	114,060
Finance costs	(14,186)	(10,952)	(14,186)	(10,952)
Share of results in associated companies, net of tax	99	(47)	99	(47)
Profit/(loss) before tax	146,955	103,061	146,955	103,061
Income tax expense	(13,308)	(15,246)	(13,308)	(15,246)
Profit/(loss) for the period	133,647	87,815	133,647	87,815
Profit attributable to:				
Equity holders of the Company	104,728	57,710	104,728	57,710
Non-controlling interests	28,919	30,105	28,919	30,105
	133,647	87,815	133,647	87,815
Earnings per share attributable to equity holders of the Company				
Basic (sen)	6.12	3.37	6.12	3.37
Fully diluted (sen)	6.12	3.37	6.12	3.37
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.14		1.07	

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015)

TA ENTERPRISE BERHAD (194867-M)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30/4/2015 RM'000	30/4/2014 RM'000	30/4/2015 RM'000	30/4/2014 RM'000
Profit/(loss) for the period	133,647	87,815	133,647	87,815
Other comprehensive (loss)/income:				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operation	7,113	1,227	7,113	1,227
Foreign currency translation loss reclassified to profit or loss	-	(20,211)	-	(20,211)
Available-for-sale financial assets				
- Net fair value gain/(loss)	2,154	(262)	2,154	(262)
- Reclassification to profit or loss	-	-	-	-
Income tax relating to components of other comprehensive income	(145)	(250)	(145)	(250)
Other comprehensive (loss)/income for the period, net of tax	<u>9,122</u>	<u>(19,496)</u>	<u>9,122</u>	<u>(19,496)</u>
Total comprehensive (loss)/income for the period	<u>142,769</u>	<u>68,319</u>	<u>142,769</u>	<u>68,319</u>
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	107,249	43,953	107,249	43,953
Non-controlling interests	35,520	24,366	35,520	24,366
	<u>142,769</u>	<u>68,319</u>	<u>142,769</u>	<u>68,319</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015)

TA ENTERPRISE BERHAD (194867-M)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2015**

	Attributable to equity holders of the Company							Total equity		
	Share capital	Share premium	Capital reserve	Available for-sale reserve	Exchange translation reserve	Exchange difference recognised in equity	Accumulated losses		Total	Non-controlling interests
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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 year	-	-	-	(790)	(8,471)	(4,496)	57,710	57,710	30,105	87,815
- Other comprehensive income	-	-	-	(790)	(8,471)	(4,496)	57,710	(13,757)	(5,739)	(19,496)
Transaction with owners										
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	68,319
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
At 1 February 2015	1,711,910	63,208	10,267	7,254	202,236	31,376	(189,209)	1,837,042	1,250,998	3,088,040
Total comprehensive income for the period										
- Profit for the year	-	-	-	1,775	50,575	(46,542)	104,728	104,728	28,919	133,647
- Other comprehensive income	-	-	-	1,775	50,575	(46,542)	104,728	5,808	6,601	12,409
Transaction with owners										
Distribution equalisation in unit trust fund	-	-	-	-	-	-	(3)	(3)	-	(3)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(166)	(166)
Business combination with non-controlling interests	-	-	-	-	-	-	-	-	(89)	(89)
Total transaction with owners	-	-	-	-	-	-	(3)	(3)	(255)	(258)
At 31 January 2016	1,711,910	63,208	10,267	9,029	252,811	(15,166)	(84,484)	1,947,575	1,286,263	3,233,838

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015)

TA ENTERPRISE BERHAD (194867-M)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2015**

	3 months ended	
	30/4/2015 RM'000	30/4/2014 RM'000
Operating Activities		
Profit before tax	146,955	103,061
Adjustments for:		
Non-cash items	(67,695)	35,945
Non-operating items	(13,668)	(46,151)
Operating profit before changes in working capital	65,592	92,855
Net decrease/(increase) in assets	48,874	131,017
Net (decrease)/increase in liabilities	(14,442)	(205,993)
Cash generated from operations	100,025	17,879
Interest (paid)/received	10,408	39,452
Taxes (paid)/refunded	(15,753)	(7,901)
Net cash generated from operating activities	94,679	49,430
Investing Activities		
Interest received	7,954	6,824
Disposal of subsidiary, net of cash disposed	1,418	-
Dividend received	1,008	89
Investment in joint ventures	(17,510)	-
Development cost on land held for development	-	(850)
Purchase of property, plant and equipment	(6,096)	(3,778)
Proceeds from disposal of property, plant and equipment	2	1,268
Proceeds from disposal of an associated company	17,175	-
Purchase of investment properties	(113,147)	(943)
Proceeds from settlement of derivatives	51	2,974
Net (purchase)/proceeds from disposal of investment securities	(110,019)	(235,755)
Other receipts/(payments)	-	(15)
Net cash (used in)/generated from investing activities	(219,165)	(230,186)
Financing Activities		
Dividend paid to minority interest	258	-
Interest paid	(13,860)	(10,321)
Net drawdown of borrowings	98,566	158,315
(Increase)/decrease in pledged deposits for financing facilities	8	(41)
Net cash generated from financing activities	84,971	147,953
Net (decrease)/increase in Cash & Cash Equivalents during the period	(39,515)	(32,803)
Cash & Cash Equivalents at beginning of year		
As previously reported	460,944	575,776
Effects of exchange rate changes	(4,250)	(6,525)
As restated	456,694	569,251
Cash & Cash Equivalents at end of current period which exclude monies held in trust, and fixed deposits pledged to financial institutions	417,179	536,448

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015)

TA ENTERPRISE BERHAD (194867-M)

Quarterly Report for the Financial Period Ended 30 April 2015

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 2015.

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 2015, 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 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014
Annual Improvements to FRSs 2012-2014 Cycle	1 July 2014

The adoption of the above amendments/improvements to existing standards 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") in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on 1 January 2012.

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').

On 4 July 2012, 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 2013, 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.

A2 Changes in Accounting Policies (cont'd.)

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

On 2 September 2014, MASB has decided to extend the transitional period for another two year i.e. the adoption of the MFRS Framework by all entities for annual financial period beginning on or after 1 January 2017. The extension was given due to the delay of the issuance of the new Revenue Standard. The Group as a transitioning entity, will have to adopt the MFRS Framework for annual period beginning on or after 1 January 2018.

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 was 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	31,567	22,353	8,809	12,177	464	118,919	-	194,289
Inter-segment sales	30	8,142	8,645	7,167	55	-	(24,039)	-
Total revenue	31,597	30,495	17,454	19,344	519	118,919	(24,039)	194,289
Other income	4,564	11,555	16,345	321	397	1,053	-	34,235
Results								
Net segment results	8,791	60,030	76,220	4,701	(3,334)	25,490	-	171,898
Foreign exchange (losses)/gains	335	5,934	(11,244)	4	(17)	(565)	-	(5,553)
Unallocated costs								(5,303)
Profit from operations								161,042
Finance costs	(129)	(7,620)	(1,029)	(1,847)	(2,836)	(725)	-	(14,186)
Share of results of associated companies	-	-	-	99	-	-	-	99
Profit before tax								146,955
Income tax expense								(13,308)
Profit for the year								133,647
Attributable to:								
Equity holders of the Company								104,728
Non-controlling interests								28,919
								133,647

A10 Subsequent Events

Agreement of Purchase and Sale and Termination of Joint Venture Agreement Between TA Development One (Canada) Ltd and Townline Gardens Inc.

On 12 June 2015, the Group announced that TA Development One (Canada) Ltd (“TADOCL”), a wholly-owned subsidiary of TA Global Bhd. (“TA Global”), has entered into an Agreement of Purchase and Sale and Termination of Joint Venture Agreement with Townline Gardens Inc. (“TLG”) (“the Purchaser”) and 0864227 B.C. Ltd on 7 May 2015 to sell and dispose all of TADOCL’s right, benefit and interest in arising from the following, at the disposal consideration of CAD23,517,253.57 (equivalent to RM69,507,594.65):-

- (a) The Joint Venture Agreement entered into by TADOCL and TLG on 26 November 2009 to jointly undertake the rezoning, development, construction, servicing, subdividing or stratifying of the lands and premises measuring approximately 22 acres situated in the City of Richmond, Province of British Columbia, Canada and marketing and sale of the residential and commercial units at any time located on the Land (“Project”).
- (b) The Project, including without limitation, TADOCL’s 65% interest.

A10 Subsequent Events (cont'd.)

Agreement of Purchase and Sale and Termination of Joint Venture Agreement Between TA Development One (Canada) Ltd and Townline Gardens Inc. (cont'd.)

The disposal was completed as at the date of this quarterly report following the closing conditions being met and payment of the consideration by the Purchaser in accordance with the terms of the termination agreement on 2 June 2015.

As at 30 April 2015, TADOCL was classified as a disposal group held for sale.

A11 Changes in the Composition of the Group

Disposal of Oaxis Sdn. Bhd.

On 31 March 2015, TA Properties Sdn. Bhd., a wholly-owned subsidiary of TA Global disposed of its entire 25% equity interest in Oaxis Sdn. Bhd., an associated company of the Group for a total consideration of RM17,174,922.

The disposal has resulted in a gain on disposal to the Group of RM6,723,286.

Disposal of TA Securities (HK) Limited

On 17 April 2015, TA International Sdn. Bhd. and TA Nominees Sdn. Bhd., both wholly-owned subsidiaries of the Company disposed of the entire 100% equity interest in TA Securities (HK) Limited ("TAHK") for a total cash consideration of HK\$15.8million (equivalent to approximately RM7.3million).

The financial effects on the Group arising from the disposal of TAHK are as follows:

	RM'000
Asset	
Plant and equipment	12
Receivables	427
Cash and cash equivalent	5,878
	6,317
Liability	
Payables	346
Total net asset	5,971
Less: Translation reserve	(1,773)
Gain on disposal of subsidiary	4,198
Total cash consideration	7,296
Less: Cash and cash equivalents of subsidiary disposed	(5,878)
Net cash inflow on disposal of subsidiary	1,418

A12 Changes in Contingent Liabilities or Contingent Assets

During the last financial year, the Phuket Revenue Office raised a withholding tax claim ("WHT Claim") in respect of a Group subsidiary, Siam Resorts Co., Ltd ("SRC"), in respect of waived interest for loans extended by the predecessor owner of the Movenpick Resort, Kingdom Hotel Investments ("KHI").

A12 Changes in Contingent Liabilities or Contingent Assets (cont'd.)

On 1 June 2015, the Group announced that Crystal Caliber Sdn. Bhd. ("CCSB"), the holding company of SRC has issued a request for arbitration to commence arbitration proceedings against KHI, on the dispute arising from breaches by KHI of the Sale and Purchase Agreement dated 25 April 2012 between CCSB and KHI ("SPA").

The request for arbitration is submitted by CCSB in accordance with Article 1 of the Arbitration Rules of the London Court of International Arbitration ("LCIA Rules"). CCSB's claim under the LCIA Rules arises from the tax covenant as set out in the Schedule 8 of the SPA whereby KHI agreed and covenanted to pay CCSB any tax liability and cost before 31 May 2012.

The estimated amount of WHT Claim in the request for arbitration comprised of:

- (i) Siam Recovery Holdings Company Ltd ("SRH") – amounting to THB 495,222.17; and
- (ii) Siam Resort Company Ltd ("SRC") – amounting to THB 118,850,681.35.

In addition, CCSB also claims for interest and costs arising from and in connection with the said matter.

At current status, the Group is of the opinion that the commencement of arbitration proceedings are in its best interest to preserve CCSB's rights in the SPA.

The Group does not admit liability on the WHT Claim and as a result, no provision has been recognised. This will be reassessed on ongoing basis.

There were no other contingent liabilities or contingent assets except as disclosed above and material litigation as disclosed in Note B8.

A13 Commitments

The amount of capital commitments not provided for in the interim financial statements as at 30 April 2015 is as follow:

	RM'000
Approved and contracted for:-	
- Renovation	15,211
- Development expenditure	141,896
- Hotel acquisition	296,190
	<u>453,297</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 2015 RM'000	Preceding Year Corresponding Quarter 30 April 2014 RM'000
Revenue	194,289	210,434
Other income		
- Interest income from overdue financial receivables	10,082	38,821
- Interest income from financial institutions	2,615	2,997
- Interest income from investment securities	5,479	4,339
- Other interest income	185	120
- Gain on disposal of investment securities	2,104	5,676
- Gain on disposal of an associated company	6,723	-
- Gain on disposal of a subsidiary	4,198	-
- Realised fair value gain on derivatives	51	2,974
- Rental income	640	621
- Others	2,158	1,047
	34,235	56,595
Other expenses		
- Amortisation and depreciation	(17,530)	(19,419)
- Cost of properties and building materials sold	(718)	(13,272)
- Remisiers', agents' and futures brokers' commissions	(11,050)	(9,397)
- Hotel operational expenses (include hotel personnel cost)	(78,729)	(79,182)
- Personnel and others	(42,722)	(37,167)
- Property, plant and equipment written off	(1,171)	-
- Loss on disposal of investment securities	(4,196)	-
- Fair value gain/(loss) on revaluation of investments	73,607	(13,430)
- Unrealised fair value gain/(loss) on derivatives	5,991	(10,399)
- Reversal/ (Allowance) of impairment loss on receivables	14,589	2,484
- Foreign exchange gain/(loss)	(5,553)	26,813
	(67,482)	(152,969)
Finance costs	(14,186)	(10,952)
Share of results of associated companies	99	(47)
Profit/(loss) before tax	146,955	103,061

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

The Group reported profit before tax of RM146.9million and revenue of RM194.3million for the current first quarter, compared to profit before tax of RM103.1million and revenue of RM210.4million respectively achieved in the previous year's corresponding quarter.

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

The performance of the Group, analysed by its key operating segments is as follows:-

Broking and financial services

Profit before tax of the broking and financial services division decreased by 16% to RM9.0million in the current year's first quarter as compared to the previous year's corresponding quarter. This was mainly due to the drop in brokerage income.

Investment holding

Investment holding division reported profit before tax of RM58.3million in the current year's first quarter, as compared to profit before tax of RM24.4million in the previous year's corresponding quarter.

Despite higher finance cost and lower foreign exchange gain resulted primarily from C\$ denominated balances, this division enjoyed higher investment interest income, gain on disposal of an associated company, gain on disposal of a subsidiary, fair value gain on investment securities, and fair value gain on derivatives.

Credit and lending

For the current year's first quarter, credit and lending division contributed RM63.9million profit before tax to the Group, as compared to profit before tax of RM37.0million in the previous year's corresponding quarter.

Despite lower loan recovery income and higher foreign exchange loss on translation of A\$ denominated balances, this division enjoyed higher investment interest income, fair value gain on investment securities, and fair value gain on derivatives.

Property investment

Property investment division reported profit before tax of RM2.9million in the current year's first quarter, as compared to profit before tax of RM1.4million in the previous year's corresponding quarter. This was mainly due to higher rental income generated from investment properties.

Property development

Property development division reported a loss before tax of RM6.2million in the current year's first quarter, as compared to profit before tax of RM2.8million in previous year's corresponding quarter.

The loss before tax was mainly due to lower project profit recognition and higher finance cost.

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

Hotel operations

Hotel operations division registered net operating profit of RM24.8million in the current year's first quarter, as compared to RM26.8million in the previous year's corresponding quarter.

The slight decrease in net operating profit was mainly due to lower occupancy rate of the Movenpick Resort, Phuket and Swissotel Merchant Court, Singapore which are currently under major renovation.

Profit before tax of the current quarter had dropped by 22% to RM6.8mil mainly due to foreign exchange loss resulted from the appreciation of USD against THB.

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

The Group reported profit before tax of RM146.9million in the current year's first quarter as compared to loss before tax of RM14.4million in the preceding quarter.

Despite the loss before tax of property development and lower profit before tax of hotel division, the Group's results had increased primarily due to loan recovery income, lower foreign exchange loss, lower personnel cost, fair value gain on investment securities and derivatives, gain on disposal of an associated company, and gain on disposal of a subsidiary.

B3 Prospects for the current financial year

Although the recovery in the US economy is gaining momentum, the global economy is expected to remain subdued in view of the lower oil prices and China's slowdown in growth. Domestic's economy is expected to be more challenging due to slower export growth and anticipated moderate private consumption following the implementation of Goods and Services Tax ("GST") on 1st April 2015.

The prospects for each business division is summarized below: -

Broking and financial services

The equity market is expected to remain volatile in the remaining period of this calendar year due to interest rate hike expectations in the US that would induce outflow of foreign funds, weak commodity prices that can affect trade surplus, softer economic growth at our major trading partner China, which could undermine exports, and the ripple effect caused by the Greek conundrum.

However, higher discretionary income arising from the sharp pullback in crude oil prices, fresh liquidity injection from QE in the Eurozone, easing policy induced restrains in China and sustained fiscal and monetary measures in Japan are seen as strong external catalysts that could drive the benchmark index higher in the year 2015, on the back of unwavering domestic activities.

Our latest branch in Georgetown, Penang, commenced operations in January 2015. We will continue with our strategy of setting up branches as well as increase fee based activities to boost our profits.

The investment management unit will focus on expanding private mandate and corporate sales business with aggressive marketing effort via the introduction of good incentives. We will also attract and grow agency force to expand third party funds platform. We target to improve market share by tying up with more banks and distributors, as well as apply for financial planning license to sell our products.

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

B3 Prospects for the current financial year (cont'd.)

Credit and Lending

The credit and lending division will increase financing activities by providing term loans to business enterprises for their working capital and to individuals for their investments.

The Group expects a higher business turnover by focussing on the above areas in the current financial year.

Property Investment

The Group is projected to experience a lower income contribution from overseas and local property investments for the current financial year in the light of expected upgrading works to be undertaken at some of our investment properties. On completion of these upgrading works, the Group is confident that the upgraded investment properties will generate higher return in the future.

Property development

Due to challenging economic outlook, stringent mortgage approval, cooling measures introduced by the Government and the wait-and see approach adopted by property investors upon the implementation of GST, we anticipate our property sales in Malaysia to soften and lower property sales are expected from our existing property stocks for this financial year. As the Australian property market is experiencing strong residential sales, the Group will continue to focus on its Little Bay Cove project and hope to roll out new launches from this project for the financial year. We are confident that our sales from these new launches in Australia will be resilient. In addition, the Group will also be developing its land within the vicinity of Kuala Lumpur City Center and going forward, we hope to see some significant sales contribution from this project.

Hotel Operations

The Group's hospitality businesses located in Singapore, Australia, Canada, China and Thailand will continue to generate stable recurrent income stream for the Group. Improved result is expected from our hotel in Thailand which was affected by political unrest, refurbishment and upgrading works during the financial year ended 31 January 2014/15. Lower income contribution is expected from our hotel properties located in Sydney and Singapore due to upcoming major refurbishment works to be undertaken in this financial year.

As the Group continuously seeks to grow, the Group will continue to explore and evaluate opportunities to acquire new hotels to expand existing hotels portfolio and to enhance revenue contribution from our hospitality business.

Barring any unforeseen circumstances, the Group will continue to be profitable in the financial year ending 31 January 2016.

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	9,252
- Foreign tax	3,082
Deferred tax	974
	<u>13,308</u>

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

	Current Quarter/ Year-to-date RM'000
Profit before taxation	<u>146,955</u>
Taxation at the statutory income tax rate of 25%	36,739
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	(23,431)
Tax expense for the financial period	<u><u>13,308</u></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 2015 were as follows:-

	Secured RM'000	Unsecured RM'000
<i>Long term borrowings</i>		
Foreign currency loans	907,837	-
Revolving credits	100,000	-
<i>Short term borrowings</i>		
Foreign currency loans and revolving credits	879,307	-
Loans and revolving credits	281,000	133,500
	<u>2,168,144</u>	<u>133,500</u>

Denomination of foreign currency loans and revolving credits:-

		RM'000
<i>Long-term borrowings</i>		
C\$	53,048,380	157,124
RMB	16,000,000	9,187
S\$	167,700,000	451,734
A\$	102,479,712	289,792
		<u>907,837</u>
<i>Short-term borrowings</i>		
C\$	47,810,394	141,610
S\$	8,000,000	21,550
A\$	20,051,600	56,702
US\$	98,895,703	352,217
RMB	16,000,000	9,187
HK\$	5,420,361	2,490
EUR	53,318,885	212,854
GBP	15,003,383	82,697
		<u>879,307</u>

Loans and revolving credits denominated in RM bear interest rates ranging from 4.1% to 4.7% per annum, of which RM381,000,000 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\$21,691,977) will mature on 5 December 2020;
- (b) A 20-year term loan (C\$34,699,533) 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.

B7 Group Borrowings and Debt Securities (cont'd)

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

- (c) Three 5-year term loans (total of C\$ 1,637,264) carry maturities from 1 March 2020 to 1 April 2020. The loans bear interest rate ranging from 2.64% to 2.69% per annum.

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

- (d) Short term revolving credits (C\$42,830,000) of which C\$2,080,000 is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore, and C\$40,750,000 is secured against a hotel in Australia.

The revolving credits bear average interest rate of 2.5% per annum.

(2) Loan denominated in S\$

A 4-year term loan (S\$175,700,000) will mature on 30 November 2018. The loan bears average interest rate of 1.7% per annum 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\$13,850,000 will mature on 28 February 2018. The loan is secured against a hotel in Australia and bears an average interest rate of 3.4% per annum.

- (b) Short term revolving credit (A\$20,051,600) is secured against a hotel in Australia, and bears an average interest rate of 4.2% per annum.

- (c) A 2-year term loan amounting to A\$88,629,712 will mature on 30 May 2016. The loan bears interest rate ranging from 3.79% to 4.15% per annum and is secured by mortgage over certain development properties.

(4) Loans denominated in US\$

Short-term loans amounting to US\$98,895,703 are on rollover basis. The loans are secured against certain investment securities, and bear interest rates ranging from 0.4% to 0.8% per annum.

(5) Loans denominated in RMB

Two term loans (total of RMB32,000,000) carry maturities from 20 December 2015 to 24 April 2016.

The loans are subject to average interest rate of 6.3% per annum, and are secured against a hotel building and land use rights in China.

(6) Loans denominated in HK\$

Short-term loans amounting to HK\$5,420,361 are on rollover basis. The loans are secured against certain investment securities and bear average interest of 0.5% per annum.

B7 Group Borrowings and Debt Securities (cont'd)

(7) Loans denominated in EUR

Short-term loans amounting to EUR53,318,885 are on rollover basis. The loans are secured against certain investment securities and bear average interest rate of 0.35% per annum.

(8) Loans denominated in GBP

Short-term loans amounting to GBP15,003,383 are on rollover basis. The loans are secured against certain investment securities and bear average interest rate of 0.75% per annum.

B8 Material Litigation

As at 18 June 2015, there were no changes in material litigation since the last annual reporting date of 31 January 2015.

B9 Dividend

On 29 May 2015, based on the recommendation of the Board of Directors, a final single-tier dividend of 1.8% (1.8sen net per ordinary share) in respect of the financial year ended 31 January 2015 was proposed. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

No further dividend is proposed as at the date of this announcement other than as stated above.

B10 Disclosure of derivatives

Types of derivatives/Maturity	Contract/Notional value	Fair value asset/(liability)
Geared Equity Accumulators -Less than 1 year	RM182,016,979	(RM107,665)
Geared Equity Decumulators -Less than 1 year	RM46,651,413	(RM5,165,328)
Foreign Currency Forwards - Less than 1 year	RM95,729,725	RM3,489,837

The Group has entered into accumulators, decumulators and forwards 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	As at the end of last financial year
	<u>RM'000</u>	<u>RM'000</u>
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
-Realised	1,396,942	1,070,188
-Unrealised	<u>(139,905)</u>	<u>(202,662)</u>
	1,257,037	867,526
Total share of retained profits of associated companies:		
-Realised	1,396	1,297
-Unrealised	<u>78</u>	<u>78</u>
	1,474	1,375
Total share of losses in joint venturer		
- Realised	<u>(8,254)</u>	<u>(8,254)</u>
	1,250,257	860,647
Less: Consolidation adjustments	<u>(1,165,773)</u>	<u>(1,049,856)</u>
Total (accumulated losses)/retained profits as per Statement of Financial Position	<u>84,484</u>	<u>(189,209)</u>

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30 April 2015	30 April 2014	30 April 2015	30 April 2014
Basic earnings per share				
Profit for the period (RM'000) - attributable to equity holders of the Company	104,728	57,710	104,728	57,710
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)	6.12	3.37	6.12	3.37

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
25 June 2015