

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2015

	AS AT END OF CURRENT QUARTER 31-OCT-2015 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR 31-JAN-2015 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,087,766	1,953,375
Investment properties	513,718	376,180
Land held for property development	802,680	728,541
Intangible assets	374,871	352,463
Investment in associates	14,549	23,646
Investment in joint ventures	119,245	82,128
Deferred tax assets	13,012	12,430
Investment in securities	263,196	72,506
Receivables	279,690	288,152
	<u>4,468,727</u>	<u>3,889,421</u>
Current assets		
Property development costs	199,344	231,756
Inventories	52,803	92,877
Tax recoverable	20,147	13,370
Receivables	698,988	718,994
Investment in securities	731,620	842,619
Cash and short term deposits	796,628	583,624
	<u>2,499,530</u>	<u>2,483,240</u>
Assets under disposal group	-	7,209
	<u>-</u>	<u>7,209</u>
TOTAL ASSETS	<u>6,968,257</u>	<u>6,379,870</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,711,910	1,711,910
Reserves	273,212	125,132
	<u>1,985,122</u>	<u>1,837,042</u>
Non-controlling interests	<u>1,329,570</u>	<u>1,250,998</u>
TOTAL EQUITY	<u>3,314,692</u>	<u>3,088,040</u>
Non-current liabilities		
Deferred tax liabilities	277,659	274,221
Borrowings	722,680	1,003,723
Payables	-	2,558
	<u>1,000,339</u>	<u>1,280,502</u>
Current liabilities		
Borrowings	1,998,157	1,240,959
Payables	644,398	746,135
Derivatives	4,520	7,815
Income tax payable	6,151	16,149
	<u>2,653,226</u>	<u>2,011,058</u>
Liabilities under disposal group	-	270
	<u>-</u>	<u>270</u>
TOTAL LIABILITIES	<u>3,653,565</u>	<u>3,291,830</u>
TOTAL EQUITY AND LIABILITIES	<u>6,968,257</u>	<u>6,379,870</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.16</u>	<u>1.07</u>

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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-OCT-2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-OCT-2014 RM'000	CURRENT YEAR TO DATE 31-OCT-2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-OCT-2014 RM'000
Revenue	180,307	263,195	546,673	747,469
Other income	37,097	72,165	104,887	146,406
Other expenses	(255,688)	(249,851)	(539,076)	(623,128)
(Loss)/profit from operations	(38,284)	85,509	112,484	270,747
Finance costs	(18,347)	(12,314)	(48,828)	(35,086)
Share of results in associated companies, net of tax	(41)	5	69	(535)
(Loss)/profit before tax	(56,672)	73,200	63,725	235,126
Income tax expense	(16,731)	(24,129)	(39,079)	(49,814)
(Loss)/profit for the period	(73,403)	49,071	24,646	185,312
(Loss)/profit attributable to:				
Equity holders of the Company	(54,895)	31,659	19,226	129,973
Non-controlling interests	(18,508)	17,412	5,420	55,339
	(73,403)	49,071	24,646	185,312
(Loss)/earnings per share attributable to equity holders of the Company				
Basic (sen)	(3.21)	1.85	1.12	7.59
Fully diluted (sen)	(3.21)	1.85	1.12	7.59

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 OCTOBER 2015

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-OCT-2015 RM'000	31-OCT-2014 RM'000	31-OCT-2015 RM'000	31-OCT-2014 RM'000
(Loss)/profit for the period	(73,403)	49,071	24,646	185,312
Other comprehensive (loss)/income:				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operation	245,780	(14,094)	255,746	(86,195)
Foreign currency translation loss reclassified to profit or loss	-	-	(1,003)	(20,211)
Available-for-sale financial assets				
- Net fair value (loss)/gain	(1,535)	1,123	(1,912)	1,467
- Reclassification to profit or loss	3,376	-	461	(33)
Income tax relating to components of other comprehensive income	158	(586)	94	(903)
Other comprehensive income/(loss) for the period, net of tax	247,779	(13,557)	253,386	(105,875)
Total comprehensive income for the period	174,376	35,514	278,032	79,437
Total comprehensive income attributable to:				
Equity holders of the Company	99,607	25,054	178,870	62,183
Non-controlling interests	74,769	10,460	99,162	17,254
	174,376	35,514	278,032	79,437

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2015**

(The figures have not been audited)

	Attributable to equity holders of the Company									
	Share capital	Share premium	Capital reserve	Available-for-sale reserve	Exchange translation reserve	Exchange difference recognised in equity	Accumulated losses	Total	Non-controlling interests	Total equity
	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	-	-	-	-	-	-	129,973	129,973	55,339	185,312
- Profit for the financial period	-	-	-	67	(34,412)	(33,445)	-	(67,790)	(38,085)	(105,875)
- Other comprehensive income	-	-	-	67	(34,412)	(33,445)	129,973	62,183	17,254	79,437
Transaction with owners	-	-	-	-	-	-	(47,933)	(47,933)	-	(47,933)
Dividend	-	-	-	-	-	-	26	26	-	26
Distribution equalisation in unit trust fund	-	-	-	-	-	-	-	-	(14,512)	(14,512)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	1,494	1,494
Business combination with non-controlling interests	-	-	-	-	-	-	(47,907)	(47,907)	(13,018)	(60,925)
Total transaction with owners	-	-	-	-	-	-	(47,907)	(47,907)	(13,018)	(60,925)
At 31 October 2014	1,711,910	63,208	10,267	7,655	174,576	2,897	(163,756)	1,806,757	1,243,659	3,050,416
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	-	-	-	-	-	-	19,226	19,226	5,420	24,646
- Profit for the financial period	-	-	-	(1,341)	128,740	32,245	-	159,644	93,742	253,386
- Other comprehensive income	-	-	-	(1,341)	128,740	32,245	19,226	178,870	99,162	278,032
Transaction with owners	-	-	-	-	-	-	(30,814)	(30,814)	-	(30,814)
Dividend	-	-	-	-	-	-	24	24	-	24
Distribution equalisation in unit trust fund	-	-	-	-	-	-	-	-	(21,623)	(21,623)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	1,033	1,033
Business combination with non-controlling interests	-	-	-	-	-	-	(30,790)	(30,790)	(20,590)	(51,380)
Total transaction with owners	-	-	-	-	-	-	(30,790)	(30,790)	(20,590)	(51,380)
At 31 October 2015	1,711,910	63,208	10,267	5,913	330,976	63,621	(200,773)	1,985,122	1,329,570	3,314,692

Note: 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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2015**
(The figures have not been audited)

	9 MONTHS ENDED	
	31-OCT-2015 RM'000	31-OCT-2014 RM'000
Operating Activities		
Profit before tax	63,725	235,126
Adjustments for:		
Non-cash items	224,827	97,481
Non-operating items	(45,427)	(111,497)
Operating profit before changes in working capital	<u>243,125</u>	<u>221,110</u>
Net increase in assets	(359,274)	(126,371)
Net increase in liabilities	393,555	27,874
Cash generated from operations	<u>277,406</u>	<u>122,613</u>
Interest received	11,834	87,615
Taxes paid	(53,786)	(28,519)
Net cash generated from operating activities	<u>235,454</u>	<u>181,709</u>
Investing Activities		
Interest received	29,615	26,678
Disposal of subsidiary, net of cash disposed	1,418	-
Disposal of jointly controlled operation, net of cash disposed	69,064	-
Acquisition of subsidiary	-	(21,416)
Dividend received	8,590	1,540
Investment in joint ventures	(24,359)	-
Development cost on land held for development	(48,657)	(6,206)
Purchase of property, plant and equipment	(32,495)	(27,571)
Proceeds from disposal of property, plant and equipment	106	1,496
Proceeds from disposal of an associated company	17,175	-
Purchase of investment properties	(122,142)	(51,411)
Net proceeds from settlement of derivatives	3,302	5,759
Net purchase from disposal of investment securities	(70,120)	(347,744)
Other payments	(194)	(170)
Net cash used in investing activities	<u>(168,697)</u>	<u>(419,045)</u>
Financing Activities		
Dividend paid	(30,814)	(47,907)
Dividend paid to minority interest	(21,623)	(14,512)
Interest paid	(47,098)	(33,180)
Net drawdown of borrowings	258,950	243,744
(Increase)/decrease in pledged deposits for financing facilities	(99,931)	134,518
Net cash generated from financing activities	<u>59,484</u>	<u>282,663</u>
Net increase in cash and cash equivalents during the period	126,241	45,327
Cash and cash equivalents at beginning of year		
As previously reported	251,966	292,643
Effects of exchange rate changes	11,042	(6,251)
As restated	263,008	286,392
Cash and cash equivalents at end of current period	<u>389,249</u>	<u>331,719</u>
Cash and cash equivalents comprise of:		
Cash and short term deposits	796,628	620,843
Less:		
Monies in trust	(95,604)	(138,069)
Cash pledged for banking facilities	(311,775)	(151,055)
	<u>389,249</u>	<u>331,719</u>

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

Quarterly Report for the Financial Period Ended 31 October 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 years 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 Preceding 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, the seasonal factors that affect the occupancy and room rates of the Group’s hotel operations and the general Malaysian economy.

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 year’s 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

A final single-tier dividend of 1.80% on 1,711,909,630 ordinary shares for financial year ended 31 January 2015 (1.80 sen per ordinary shares), amounted to RM30.8 million was paid on 19 August 2015.

A9 Segmental Information

Segmental revenue and 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 revenue	89,911	74,742	19,402	35,859	1,258	325,501	-	546,673
Inter-segment revenue	-	20,154	29,023	6,379	97	-	(55,653)	-
Total revenue	<u>89,911</u>	<u>94,896</u>	<u>48,425</u>	<u>42,238</u>	<u>1,355</u>	<u>325,501</u>	<u>(55,653)</u>	<u>546,673</u>
Other income								
	<u>15,601</u>	<u>22,724</u>	<u>59,380</u>	<u>3,057</u>	<u>2,182</u>	<u>1,943</u>	<u>-</u>	<u>104,887</u>
Results								
Net segment results	20,933	(19,857)	91,134	13,616	(7,770)	45,884	-	143,940
Foreign exchange (losses)/gains	1,618	(18,858)	18,017	46	(89)	(22,782)	-	(22,048)
Other unallocated amounts								<u>(9,408)</u>
Profit from operations								112,484
Finance costs	(673)	(26,298)	(4,803)	(5,893)	(8,841)	(2,320)	-	(48,828)
Share of results of associated companies	-	-	-	69	-	-	-	<u>69</u>
Profit before tax								<u>63,725</u>
Income tax expense								<u>(39,079)</u>
Profit for the financial period								<u>24,646</u>
Attributable to:								
Equity holders of the Company								19,226
Non-controlling interests								<u>5,420</u>
								<u>24,646</u>

A10 Subsequent Events

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

Formation of Limited Partnership – Aava Whistler Hotel Limited Partnership

On 2 November 2015, the Group announced that Aava Whistler Hotel GP Ltd and Aava Whistler Hotel Limited, subsidiaries of the Group had formed a Limited Partnership under the name of Aava Whistler Hotel Limited Partnership (the "Partnership") pursuant to the laws of the Province of British Columbia and pursuant to Section 51 of the Partnership Act of British Columbia, R.S.B.C. 1996, c.348 ("Act").

The following units in the Partnership have also been issued with the formation of the Partnership:-

- 1) 100 Class "A" Units to Aava Whistler Hotel Limited at C\$1.00 per unit; and
- 2) 1 Class "B" Unit to Aava Whistler Hotel GP Ltd at C\$1.00 per unit.

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 Berhad (“TAG”) disposed of its entire 25% equity interest in Oaxis Sdn. Bhd., an associated company of the Group for a total consideration of RM17.2 million.

The disposal has resulted in a gain on disposal to the Group of RM6.7 million.

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\$15.8 million (equivalent to approximately RM7.3 million).

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
	<u>6,317</u>
Liability	
Less: Payables	<u>(346)</u>
Total net asset	5,971
Less: Translation reserve	<u>(1,773)</u>
Gain on disposal of subsidiary	<u>4,198</u>
Total cash consideration	7,296
Less: Cash and cash equivalents of subsidiary disposed	<u>(5,878)</u>
Net cash inflow on disposal of subsidiary	<u>1,418</u>

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

On 7 May 2015, TA Development One (Canada) Ltd (“TADOCL”), a wholly-owned subsidiary of TAG 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 to sell and dispose all of TADOCL’s right, benefit and interest in arising from the following, at the disposal consideration of CAD23.5 million (equivalent to RM69.5 million):-

- (a) The Joint Venture Agreement entered into by TADOCL and TLG on 26 November 2009 to jointly undertake the re-zoning, 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”).

A11 Changes in the Composition of the Group (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.)

(b) The Project, including without limitation, TADOCL's 65% interest.

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.

The disposal has resulted in a gain on disposal to the Group of RM1.2 million.

Incorporation of Aava Whistler Hotel GP Ltd.

On 28 October 2015, the Group incorporated Aava Whistlers Hotel GP Ltd., under the Business Corporations Act (British Columbia). The principal activity of Aava Whistler Hotel GP Ltd. is as the general partner in the Aava Whistler Hotel Limited Partnership which shall be formed to carry out hotel operations and management activities.

The shareholder of Aava Whistler Hotel GP Ltd. is ERF Properties Sdn Bhd, a subsidiary of the Group. The current issued and paid-up capital of Aava Whistler Hotel GP Ltd. is C\$0.01 divided into one (1) common share of C\$0.01 each issued to ERF Properties Sdn Bhd.

A12 Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at the end of the current year's financial quarter.

A13 Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 October 2015 were as follow:

	<u>RM'000</u>
Approved and contracted for:-	
- Renovation	14,448
- Development expenditure	137,151
- Hotel acquisition	326,820
	<u>478,419</u>

B1 Performance Analysis of the Group's Operating Segments

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

	CURRENT YEAR QUARTER 31-OCT-2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-OCT-2014 RM'000
Revenue	180,307	263,195
Other income		
- Interest income from overdue financial receivables	11	46,548
- Interest income from financial institutions	2,722	2,652
- Interest income from investment securities	9,020	9,240
- Other interest income	114	291
- Gain on disposal of investment securities	16,544	10,979
- Gain on disposal of a jointly controlled operation	146	-
- Realised fair value gain on derivatives	3,331	1,084
- Rental income	669	836
- Bad debt recovered	3,903	-
- Dividend income	604	407
- Others	34	128
	37,098	72,165
Other expenses		
- Amortisation and depreciation	(18,071)	(19,365)
- Cost of properties and building materials sold	(3,191)	(35,028)
- Remisiers', agents' and futures brokers' commissions	(9,665)	(10,226)
- Hotel operational and personnel cost	(82,079)	(79,311)
- Personnel cost and others	(39,082)	(38,347)
- Acquisition related cost	-	(27,168)
- Fair value loss on investments	(99,789)	(49,062)
- Unrealised fair value gain on derivatives	153	5,284
- Impairment loss on receivables	(1,185)	(2,177)
- Impairment loss on investment securities	(3,059)	-
- Foreign exchange gain	279	5,549
	(255,689)	(249,851)
Finance costs	(18,347)	(12,314)
Share of results of associated companies	(41)	5
(Loss)/ Profit before tax	(56,672)	73,200

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

The Group reported revenue of RM180.3 million and loss before tax of RM56.7 million for the current year's third quarter, as compared to revenue of RM263.2 million and profit before tax of RM73.2 million in the previous year's corresponding quarter.

For the current period-to-date, the Group reported revenue of RM546.7 million and profit before tax of RM63.7 million, as compared to revenue of RM747.5 million and profit before tax of RM235.1 million in the previous corresponding period.

Despite contribution from property investment divisions and hotel operations, the Group's quarterly and period to-date results was dragged down by the lower contribution of all other segments, as analysed below:-

Broking and financial services

Profit before tax of the broking and financial services division decreased by 25% to RM8.0 million in the current year's third quarter as compared to the previous year's corresponding quarter.

For the current period-to-date, this division reported profit before tax of RM21.9 million, as compared to profit before tax of RM29.8 million in preceding year's period-to-date.

The decreases in the quarterly and period-to-date results were mainly due to the decrease in brokerage and proprietary trade income.

Investment holding and others

Investment holding and others division reported loss before tax of RM68.5 million in the current year's third quarter, as compared to loss before tax of RM36.5 million in the previous year's corresponding quarter.

Despite higher foreign exchange gains on AUD and CAD denominated balances, and lower expenses mainly due to the absence of subsidiary acquisition related cost which was incurred in the previous year's corresponding quarter, the current third quarter's loss was attributable to fair value loss on investment securities, lower interest income, higher foreign exchange loss on SGD denominated balances.

For the current period-to-date, this division reported loss before tax of RM65.0 million, as compared to profit before tax of RM8.6 million in preceding year's period-to-date.

Despite higher foreign exchange gains on AUD and USD denominated balances, higher gain on disposal of investment securities, and lower expenses mainly due to the absence of subsidiary acquisition related cost which was incurred in the preceding period-to-date, the current period-to-date loss was attributable to fair value loss on investment securities, lower interest income, higher foreign exchange loss on SGD denominated balances, and higher finance cost.

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

Credit and lending

For the current year's third quarter, credit and lending division contributed RM2.9 million profit before tax to the Group, as compared to profit before tax of RM76.1 million in the previous year's corresponding quarter.

The decrease in profit before tax was mainly due to lower loan recovery income as certain overdue accounts have been settled and higher fair value loss on investment securities. The division, however, recorded higher gain on disposal of investment securities, and higher foreign exchange gain resulted from translation of CAD denominated balances.

For the current period-to-date, this division reported profit before tax of RM104.3 million, as compared to profit before tax of RM125.0 million in preceding year's period-to-date.

The decrease in period-to-date profit before tax was mainly due to lower loan recovery income as certain overdue accounts have been settled, despite higher dividend income, higher gain on disposal of investments, lower fair value loss on investments, and higher net foreign exchange gains resulted from translation of AUD and CAD denominated balances.

Property investment

Property investment division reported profit before tax of RM2.4 million in the current year's third quarter, as compared to profit before tax of RM1.0 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported profit before tax of RM7.8 million, as compared to profit before tax of RM4.2 million in preceding year's period-to-date.

The increases in the quarterly and period-to-date profit before tax were mainly due to higher net rental income.

Property development

Property development division reported a loss before tax of RM6.3 million in the current year's third quarter, as compared to profit before tax of RM12.1 million in previous year's corresponding quarter.

For the current period-to-date, this division reported a loss before tax of RM16.7 million, as compared to profit before tax of RM23.8 million in preceding year's period-to-date.

The quarterly and period-to-date losses before tax were mainly attributable to the absence of revenue generating projects and higher finance costs.

Hotel operations

Hotel operations division registered net operating profit of RM11.5 million in the current year's third quarter, as compared to RM18.6 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported a net operating profit of RM43.6 million, as compared to net operating profit of RM55.3 million in preceding year's period-to-date.

The quarterly and period-to-date decrease in net operating profits were mainly due to lower occupancy rates of Swissotel Merchant Court, Singapore which are currently undergoing major refurbishment works.

Other than the above, the current year's third quarter and period-to-date performance was affected by foreign exchange translation losses.

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

The Group reported loss before tax of RM56.7 million in the current year's third quarter as compared to loss before tax of RM26.6 million in the preceding quarter.

Despite contributions from the hotel operations and broking and financial services division and lower foreign exchange translation losses, the Group's performance was dragged down primarily by lower investment interest income, and higher net fair value losses on investment securities.

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 prospect for each business division is summarized below: -

Broking and financial services

The equity market is expected to remain volatile due to interest rate hike expectations in the US that would induce outflow of foreign funds, weak commodity prices that may affect trade surplus, softer economic growth for China, which could undermine exports and the ripple effects caused by the Greek economic problems.

Our latest stock broking 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.

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.

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

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 refurbishment works to be undertaken at some of our investment properties. On completion of these refurbishment works, the Group is confident that the refurbished investment properties will generate higher return in the future.

Property development

Due to challenging economic outlook, stringent mortgage approvals, 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.

Hotel Operations

The Group's hospitality businesses located in Singapore, Australia, Canada, China and Thailand will continue to generate 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 since last financial year. Lower income contribution is expected from our hotel located in Singapore due to major refurbishment works which are currently in progress.

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 is expected 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 RM'000	Year to-date RM'000
Estimated tax charge for the period:		
- Malaysian income tax	(1,322)	13,216
- Foreign tax	16,550	21,768
Deferred tax	1,535	2,934
Withholding tax	580	1,508
(Over)/under provision in prior year		
- Malaysian income tax	(521)	(521)
- Foreign tax	(90)	174
	<u>16,732</u>	<u>39,079</u>

b) A reconciliation between the statutory and effective tax:

	Current Quarter RM'000	Year to-date RM'000
(Loss)/profit before tax	<u>(56,672)</u>	<u>63,726</u>
Taxation at the statutory income tax rate of 24%	(13,601)	15,294
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 and other taxes	30,333	23,785
Tax expense for the financial period	<u>16,732</u>	<u>39,079</u>

B6 Corporate Proposals

Status of Corporate Proposals

There are no outstanding corporate proposals as at the end of the current year's financial quarter.

B7 Group Borrowings and Debt Securities

Total Group borrowings as at 31 October 2015 was as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term loans	628,680	-	628,680
Revolving credit	94,000	-	94,000
	<u>722,680</u>	<u>-</u>	<u>722,680</u>
<u>Short term borrowings</u>			
Revolving credit	479,678	215,000	694,678
Other short-term loans	1,303,480	-	1,303,480
	<u>1,783,158</u>	<u>215,000</u>	<u>1,998,158</u>
Total borrowings	<u>2,505,838</u>	<u>215,000</u>	<u>2,720,838</u>

The Group borrowings in Ringgit Malaysia ("RM") equivalent analysed by currencies in which the borrowings are denominated are as follows:-

	Long term borrowings RM'000	Short term borrowings RM'000	Total RM'000
Ringgit Malaysia ("RM")	94,000	492,000	586,000
Canadian Dollar ("CAD")	59,088	270,801	329,889
Chinese Renminbi ("RMB")	10,880	10,880	21,760
Singapore Dollar ("SGD")	501,822	50,366	552,188
Australian Dollar ("AUD")	56,890	339,259	396,149
United States Dollar ("USD")	-	590,117	590,117
Hong Kong Dollar ("HKD")	-	1,691	1,691
European Dollar ("EUR")	-	191,676	191,676
Great Britain Pound ("GBP")	-	51,368	51,368
Total borrowings	<u>722,680</u>	<u>1,998,158</u>	<u>2,720,838</u>

B8 Material Litigation

As disclosed during the financial quarter ended 30 April 2015, the Group's subsidiary, Crystal Caliber Sdn. Bhd. ("CCSB") has issued a request for arbitration to commence arbitration proceedings against Kingdom Hotel Investments ("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 was 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.

B8 Material Litigation (cont'd)

The estimated amount of claim in the request for arbitration by CCSB is in respect to the withholding tax claimed by the Phuket Revenue Office against:

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

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

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.

As at 24 December 2015, there were no changes in material litigation since the last financial year ended 31 January 2015, except as disclosed above.

B9 Dividend

No further dividend is declared as at the date of this announcement other than as stated in Note A8 on dividend paid.

B10 Disclosure of derivatives

The Group has entered into accumulators, decumulators and forward contracts which formed part of the Group's investment portfolio with an objective to maximise the Group's performance.

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.

Types of derivatives/Maturity	Contract/Notional value	Fair value asset/(liability)
Gear Equity Accumulators - Less than 1 year	RM203,751,699	(RM2,940,363)
Gear Equity Decumulators - Less than 1 year	RM10,717,211	(RM518,550)
Foreign Currency Forwards - Less than 1 year	RM71,926,547	(RM1,060,973)

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 year's financial quarter, other than as disclosed in Note B2 on derivatives.

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/accumulated losses 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 PRECEDING FINANCIAL YEAR RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
-Realised	1,264,618	1,070,188
-Unrealised	(334,931)	(202,662)
	<u>929,687</u>	<u>867,526</u>
Total share of retained profits of associated companies:		
-Realised	1,366	1,297
-Unrealised	78	78
	<u>1,444</u>	<u>1,375</u>
Total share of losses in joint venture		
- Realised	(8,254)	(8,254)
	<u>922,877</u>	<u>860,647</u>
Less: Consolidation adjustments	(1,123,650)	(1,049,856)
Total accumulated losses as per Statement of Financial Position	<u>(200,773)</u>	<u>(189,209)</u>

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-OCT-2015	31-OCT-2014	31-OCT-2015	31-OCT-2014
Basic (loss)/earnings per share				
(Loss)/profit for the period - attributable to equity holders of the Company (RM'000)	(54,895)	31,659	19,226	129,973
Weighted average number of ordinary shares in issue ('000)	1,711,910	1,711,910	1,711,910	1,711,910
Basic (loss)/ earnings per share (sen)	<u>(3.21)</u>	<u>1.85</u>	<u>1.12</u>	<u>7.59</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
31 December 2015