

**TA GLOBAL BERHAD (828855-P)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2012**

	<b>AS AT END OF CURRENT QUARTER 31/1/2012 RM'000</b>	<b>AS AT PRECEDING FINANCIAL YEAR END 31/1/2011 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,946,535	1,734,327
Investment property	188,335	194,277
Land held for property development	406,316	410,779
Prepaid land lease payments	220	227
Intangible assets	284,118	264,519
Associated companies	26,270	14,873
Jointly controlled operations	86,759	47,610
Investment securities	121,864	7,325
Financial receivables	277,782	202,939
Deferred tax assets	10,013	10,161
	<u>3,348,212</u>	<u>2,887,037</u>
<b>Current assets</b>		
Property development costs	37,736	36,091
Properties & land held for resale	39,151	23,567
Inventories	2,526	1,815
Financial receivables	75,698	92,450
Trade receivables	28,303	35,090
Investment securities	27,371	-
Other receivables	49,108	76,140
Due from related companies	41,892	84,343
Short term funds	97,894	158,923
	<u>399,679</u>	<u>508,419</u>
<b>TOTAL ASSETS</b>	<b><u>3,747,891</u></b>	<b><u>3,395,456</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	2,660,862	2,660,862
Reserves	(274,533)	(387,530)
	<u>2,386,329</u>	<u>2,273,332</u>
Non-controlling interest	1	1
Preference shares issued by subsidiaries	57,988	57,988
<b>TOTAL EQUITY</b>	<b><u>2,444,318</u></b>	<b><u>2,331,321</u></b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	233,015	211,350
Borrowings	800,074	711,813
	<u>1,033,089</u>	<u>923,163</u>
<b>Current liabilities</b>		
Provision for liabilities	2,298	3,235
Borrowings	109,965	24,819
Trade payables	49,653	39,110
Other payables	86,738	58,560
Due to related companies	3,554	5,689
Derivatives	1,736	-
Income tax payable	16,540	9,559
	<u>270,484</u>	<u>140,972</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,303,573</u></b>	<b><u>1,064,135</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>3,747,891</u></b>	<b><u>3,395,456</u></b>
Net assets value per ordinary share (RM)	<u>0.43</u>	<u>0.41</u>
Net assets value per share (inclusive of ordinary shares and ICPS)	<u>0.45</u>	<u>0.43</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011)

**TA GLOBAL BERHAD (828855-P)**

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/1/2012 RM'000	31/1/2011 RM'000	31/1/2012 RM'000	31/1/2011 RM'000
<b>Revenue</b>	163,327	115,379	574,859	411,354
Other income	3,579	5,306	18,033	34,596
Other expenses	(129,670)	(85,968)	(444,851)	(319,355)
<b>Profit from operations</b>	<u>37,236</u>	<u>34,717</u>	<u>148,041</u>	<u>126,595</u>
Finance costs	(8,999)	(5,592)	(29,468)	(17,556)
Share of results of associated companies	(7)	15	647	1
Share of results of jointly controlled operations	(1,648)	-	(1,648)	-
<b>Profit before tax</b>	<u>26,582</u>	<u>29,140</u>	<u>117,572</u>	<u>109,040</u>
Income tax expense	4,952	(2,505)	(17,865)	(17,673)
<b>Profit for the period</b>	<u>31,534</u>	<u>26,635</u>	<u>99,707</u>	<u>91,367</u>
Profit attributable to: Owners of the parent	<u>31,534</u>	<u>26,635</u>	<u>99,707</u>	<u>91,367</u>
	<u>31,534</u>	<u>26,635</u>	<u>99,707</u>	<u>91,367</u>
Earnings per share attributable to owners of the parent				
Basic (sen)	0.59	0.50	1.87	1.79
Fully diluted (sen)	0.59	0.50	1.87	1.79

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
Net assets value per share (RM)	0.43	0.41
Net assets value per share (RM) (inclusive of ordinary shares and ICPS)	0.45	0.43

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/1/2012 RM'000	31/1/2011 RM'000	31/1/2012 RM'000	31/1/2011 RM'000
<b>Profit for the period</b>	31,534	26,635	99,707	91,367
<b>Other comprehensive income/(loss):</b>				
Foreign currency translation differences for foreign operation	2,854	2,711	49,264	(17,107)
Net gain/ (loss) on fair value changes on available-for-sale financial assets	(191)	(703)	216	241
Income tax relating to components of other comprehensive income	48	176	(54)	(60)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<u>2,711</u>	<u>2,184</u>	<u>49,426</u>	<u>(16,926)</u>
<b>Total comprehensive income for the period</b>	<u>34,245</u>	<u>28,819</u>	<u>149,133</u>	<u>74,441</u>
Total comprehensive income attributable to:				
Owners of the parent	<u>34,245</u>	<u>28,819</u>	<u>149,133</u>	<u>74,441</u>
	<u>34,245</u>	<u>28,819</u>	<u>149,133</u>	<u>74,441</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011)

**TA GLOBAL BERHAD (828855-P)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2012**

	Attributable to owners of the parent		Distributable		Preference Shares Issued by Subsidiaries RM'000	Non-controlling interests RM'000	Total Equity RM'000			
	Share capital RM'000	Capital reserve RM'000	Available-for-sale reserve RM'000	Translation reserve RM'000				Exchange difference recognised in equity RM'000	Retained profits RM'000	Total RM'000
<b>At 1 February 2010, as previously reported</b>	2,407,682	214	(926,077)	-	162,241	63,908	1,950,840	57,988	-	2,008,828
Effects of adopting FRS 139	-	-	-	29	-	-	243	272	-	272
<b>At 1 February 2010, as restated</b>	2,407,682	214	(926,077)	29	162,241	63,908	243,115	1,951,112	57,988	2,009,100
Dividend	-	-	-	-	-	-	(5,400)	(5,400)	-	(5,400)
Issuance of shares	253,180	-	-	-	-	-	-	253,180	-	253,180
Total comprehensive (loss)/income for the period	-	-	-	181	(4,070)	(13,037)	91,566	74,440	-	74,441
<b>At 31 January 2011</b>	2,660,862	214	(926,077)	210	158,171	50,871	329,081	2,273,332	57,988	2,331,321
<b>At 1 February 2011</b>	2,660,862	214	(926,077)	210	158,171	50,871	329,081	2,273,332	57,988	2,331,321
Dividend	-	-	-	-	-	-	(36,136)	(36,136)	-	(36,136)
Total comprehensive (loss)/income for the period	-	-	-	162	56,705	(7,441)	99,707	149,133	-	149,133
<b>At 31 January 2012</b>	2,660,862	214	(926,077)	372	214,876	43,430	392,652	2,386,329	57,988	2,444,318

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011)

**TA GLOBAL BERHAD (828855-P)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2012**

	12 months ended	
	31/1/2012 RM'000	31/1/2011 RM'000
<b>Operating Activities</b>		
Profit before tax	117,572	109,040
Adjustments for:		
Non-cash items	70,366	16,874
Non-operating items	21,168	(2,266)
Operating profit before changes in working capital	209,106	123,648
Net change in assets	(2,687)	(92,018)
Net change in liabilities	25,030	34,261
Cash generated from operations	231,450	65,891
Interest (paid)/received	(2,332)	2,035
Taxes paid	(14,141)	(16,696)
Net cash generated from operating activities	214,977	51,230
<b>Investing Activities</b>		
Acquisition of subsidiary	(119,129)	(290,876)
Investment in associated company	(10,750)	-
Interest received	7,580	14,851
Investment in jointly controlled operations	(40,079)	(10,410)
Development cost on land held for development	(19,447)	(9,729)
Purchase of property, plant and equipment	(13,156)	(45,548)
Deposit paid for acquisition of subsidiary	-	(18,922)
Purchase of investment properties	-	(9,112)
Purchase of investment securities	(139,276)	-
Other receipts/(payments)	102	1,684
Net cash used in investing activities	(334,154)	(368,062)
<b>Financing Activities</b>		
Dividend paid	(36,136)	(5,400)
Net drawdown of borrowings	98,366	109,221
Interest paid	(26,441)	(14,794)
Proceeds from issuance of ordinary shares	-	253,180
Increase in pledged deposits for financing facilities	726	(12)
Net cash generated from financing activities	36,514	342,195
Net (decrease)/increase in Cash & Cash Equivalents during the period	(82,663)	25,363
Cash & Cash Equivalents at beginning of period		
As previously reported	144,995	139,665
Effects of exchange rate changes	2,643	(20,033)
As restated	147,638	119,632
Cash & Cash Equivalents at end of current period which exclude monies held in trust, Housing Developer Accounts and fixed deposits pledged to financial institutions	64,976	144,995

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011)**

**TA GLOBAL BERHAD (828855-P)**  
**Quarterly Report for the Period Ended 31 JANUARY 2012**

Notes (in compliance with FRS 134)

**A1 Basis of Preparation**

This quarterly financial report is unaudited and has been prepared in accordance with requirements of Financial Reporting Standard (FRS) 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The quarterly financial report should be read in conjunction with the Group's audited financial statements for the year ended 31 January 2011.

**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 2011, except for the adoption of following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs, and IC Interpretations.

		<b>Effective for financial periods beginning on or after</b>
Amendments to FRS 132	Classification of Rights Issues	1 March 2010
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12	Service Concession Agreements	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2011
	- Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters	
	- Additional Exemptions for First-time Adopters	
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Improvements to FRSs	Improvements to FRSs (2010)	1 January 2011
IC Interpretation 4	Determining Whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011

## **A2 Changes in Accounting Policies (Cont'd)**

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the adoption of the other 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.

The nature of the impending changes in accounting policy on adoption of the revised FRS 3 and the amendments to FRS 127 are described below:-

### *Revised FRS 3 Business Combinations*

The revised standard introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. There is a choice on an acquisition-to-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and the future reported results.

### *Amendments to FRS 127 Consolidated and Separate Financial Statements*

The Amendment to FRS 127 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

## **Malaysian Financial Reporting Standards (MFRS Framework)**

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

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and has 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 2014.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 January 2014.

## **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 hotel operation in Australia, Singapore, Canada and China may be affected by seasonal or cyclical factors impacting the occupancy and room rates.

#### **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 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**

During the financial year ended 31 January 2012, a first and final single-tier dividend of 1.76% on 4,106,360,000 ordinary shares of RM0.50 each for financial year ended 31 January 2011 (0.88 sen per ordinary share) was paid on 28 July 2011.



## A9 Segmental Information

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

	Investment holding and Others	Finance and related services	Property investment	Property development	Hotel operations	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
External sales	9,873	39,901	56,931	64,068	404,086	-	574,859
Inter-segment sales	124,440	5,734	21,055	-	-	(151,229)	-
Total revenue	134,313	45,635	77,986	64,068	404,086	(151,229)	574,859
<b>Other income</b>	5,756	3,562	1,188	1,990	5,537	-	18,033
<b>Results</b>							
Net segment results	5,505	31,896	27,325	14,137	78,598	-	157,461
Foreign exchange gains/ (losses)	(1,278)	4,087	(529)	-	429	-	2,709
Unallocated costs							(12,129)
Profit from operations:							148,041
Finance costs	(11,018)	(1,214)	(7,961)	-	(9,275)	-	(29,468)
Share of results of associated companies	-	-	654	(7)	-	-	647
Share of results of jointly controlled operations	-	-	(1,648)	-	-	-	(1,648)
Profit before tax							117,572
Income tax expense							(17,865)
Profit for the year							99,707
<b>Attributable to:</b>							
Owners of the Parent							99,707

## A10 Subsequent Events

There were no material events subsequent to the end of the current quarter.

## A11 Changes in the Composition of the Group during the financial quarter

### *Incorporation of new foreign subsidiaries*

- 1) On 21 December 2011, TA Global Bhd incorporated TA Canada Holdings Ltd in the province of British Columbia Canada pursuant to the Business Corporations Act as a private limited company. The issued and paid-up capital of TA Canada Holdings Ltd is CAD1.00. Its principal activity is investment holding.
- 2) On 22 December 2011, TA Global Bhd incorporated TA West Georgia Developments Ltd in the province of British Columbia Canada pursuant to the Business Corporations Act as a private limited company. The issued and paid-up capital of TA West Georgia Developments Ltd is CAD1.00. Its principal activity is property development.

## **A11 Changes in the Composition of the Group during the financial quarter (Cont'd)**

### ***Acquisition of subsidiaries***

- 1) On 5 December 2011, TA Global Bhd acquired two ordinary shares representing 100% equity interest in TA Global Trust Pte Ltd for a total cash consideration of SGD2.00. TA Global Trust Pte Ltd was incorporated on 5 December 2011 as a limited private company in Singapore. The issued and paid-up capital of TA Global Trust Pte Ltd is SGD2.00. Its principal activity is investment holding.

As TA Global Trust Pte Ltd is inactive, it does not have material financial and operational effect on the Group.

- 2) On 3 February 2012, the Company announced that its wholly-owned subsidiary, TA Gemilang Trading Sdn Bhd had acquired 2 ordinary shares representing 100% equity interest in Crystal Caliber Sdn Bhd, for a total cash consideration of RM2.00.

Crystal Caliber was incorporated on 20 September 2011 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The issued and paid-up capital of Crystal Caliber is RM2.00 divided into 2 shares of RM1.00 each. Crystal Caliber is an investment holding company.

As Crystal Caliber is inactive, it does not have material financial and operational effect on the Group.

### ***Acquisition of an associated company***

- 1) During the current financial quarter, TA Properties Sdn Bhd completed the acquisition of 2,000,000 ordinary shares representing 25% equity interest in Oasis Sdn Bhd for a total cash consideration of RM10,750,000.

Oasis Sdn Bhd was incorporated on 13 May 2002 as a private company limited by shares in Malaysia (Company No. 579976-H) pursuant to the Companies Act, 1965. The authorised and paid-up share capital of Oasis Sdn Bhd is RM8,000,000 divided into 8,000,000 ordinary shares of RM1.00 each. The principal activity of Oasis Sdn Bhd is housing development and construction contractor.

The results of the associated company have been equity accounted for based on the management financial statements for the relevant period.

## **A12 Changes in Contingent Liabilities or Contingent Assets**

As disclosed during the first financial quarter ended 30 April 2011, the Group has guaranteed its share of A\$3,750,000 (RM12,127,125 equivalent) of the Little Bay project's financial obligations which have been incurred jointly with CHOF5 Little Bay Pty Ltd.

During the second financial quarter ended 31 July 2011, the Group was released from the above-mentioned guarantee. Meanwhile, the Group has provided a new guarantee of A\$2,500,000 (RM8,125,000 equivalent) to a bank in respect of the performance of the Little Bay project.

There were no other changes in contingent liabilities since the last annual reporting date except as disclosed above. 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 31 January 2012 is as follow:

	RM'000
Approved but not contracted for:	
- Renovation	27,600

## B1 Performance Analysis of the Group's Operating Segments

The Group reported a pre-tax profit of RM26.6million and consolidated revenue of RM163.3million for the current fourth quarter compared to pre-tax profit of RM29.1million and consolidated revenue of RM115.3million respectively achieved in the previous year's corresponding period.

Although the Group enjoyed higher interest income from financial receivables and higher hotel revenue, contribution from the finance division was lower in the current quarter, as compared to the previous year's corresponding period.

Analysis of the profit before tax for the current and previous year's fourth quarter:

	<b>Current Year Quarter 31 Jan 2012 RM'000</b>	<b>Preceding Year Corresponding Quarter 31 Jan 2011 RM'000</b>	<b>Current Year To Date 31 Jan 2012 RM'000</b>
Revenue	163,327	115,379	574,859
Other income			
- Interest income from financial institutions	2,468	867	4,568
- Interest income from a joint venture in which the Group has 65% interest	579	1,190	1,652
- Other interest income	223	491	645
- Rental income	1,130	897	4,530
- Fair value over cost arising from acquisition of subsidiaries	-	2,323	-
- Bad debts recovered	-	-	824
- Hotel profit guarantee	-	-	2,959
- Others	(821)	(462)	2,855
	<b>3,579</b>	<b>5,306</b>	<b>18,033</b>
Other expenses			
- Amortisation and depreciation	(18,144)	(13,969)	(70,362)
- Cost of properties and building materials sold	(17,586)	(19,734)	(44,260)
- Contract cost	(891)	(61)	(891)
- Hotel operational expenses (include hotel personnel cost)	(73,647)	(50,530)	(277,802)
- Personnel and others	(10,695)	(2,967)	(40,012)
- (Allowance)/reversal of impairment loss on receivables	(9,261)	2,865	(12,495)
- Fair value loss on derivatives	(1,736)	-	(1,736)
- Foreign exchange gain/(loss)	2,290	(1,301)	2,707
	<b>(129,670)</b>	<b>(85,697)</b>	<b>(444,851)</b>
Finance costs	(8,999)	(5,592)	(29,468)
Share of results of associated companies	(7)	15	647
Share of results of jointly controlled operations	(1,648)	-	(1,648)
Profit before tax	<b>26,582</b>	<b>29,411</b>	<b>117,572</b>

## **B1 Performance Analysis of the Group's Operating Segments (Cont'd)**

### *Finance and related services*

Net segment results of the finance division in the fourth quarter declined 30% to RM5.6million. This was compared to RM8.1million in the same quarter of FYE2011. Although interest income on financial receivables grew more than two-fold, the segment results was disrupted after taking into account a net allowance for impairment loss on financial receivables of RM9.3 million, as compared with a net reversal of RM2.9million in the previous year's corresponding quarter. Nevertheless, full year results improved by RM28.2million, driven by high interest and recovery of financial receivables.

### *Hotel operations*

Hotel operations reported stronger growth in revenue to RM104million in the fourth quarter of FYE2012, 21% above RM86million in the same quarter of last financial year. This was supported by the expanded revenue base since April 2011 with the acquisition of Swissotel Kunshan, China. The division had continued to provide steady net profit before tax to the Group, with RM69.8million and RM43.7million achieved respectively for FYE2012 and FYE2011.

### *Investment holding*

Investment holding posted a RM3.6million foreign exchange gain in the current quarter as compared with a foreign exchange loss of RM0.8million in the previous year's corresponding quarter, which explained the improved quarter-on-quarter results. Full year results had weakened in FYE2012 due to higher finance costs with increase in borrowings.

Notwithstanding the current economy uncertainty, the Group had achieved sustainable net operating results in its property investment and property development segments.

## **B2 Material Changes in Pre-tax Profit for the Current Quarter Compared with the Preceding Quarter**

The Group registered a pre-tax profit of RM26.6 million in the current fourth quarter as compared with a pre-tax profit of RM12.3 million in the preceding third quarter. Besides higher sales on completion of the Amania project, the Group's profit in the current fourth quarter improved with the increase in foreign exchange translation gain.

### **B3 Prospects for the current financial year**

In view of the global uncertainties, Malaysia's growth prospects for 2012 maybe lackluster and we expect the overall economic growth to be slower in 2012 given the anticipated slowdown in net exports and moderated growth in domestic spending. Generally, the Overnight Policy Rate maintained by Bank Negara Malaysia will benefit the property market and the property market is expected to remain stable in 2012.

#### **- Finance and Related services**

The Group's local finance and related services entities will continue focus on corporate lending, and shall remain part of the business strategy for finance and related services segment locally.

#### **- Property Investment**

The Group's property investment is predominantly in Malaysia, while its Canada and China property investments continue to provide a stable income stream for the Group. The Group will continuously review and improve the performance of its existing assets held.

#### **- Property development**

The introduction of new financing guideline, Responsible Financing Guidelines has taken a toll on the property industry as potential buyers exercise caution and adopt a wait-and-see attitude before investing. Barring any unforeseen circumstances, we expect property prices in Malaysia to sustain as it benefits from the "wealth effect" arising from the recent surging stock market. In the long run, we expect property prices to increase as Bank Negara's commitment to keep the OPR unchanged and the Klang Valley MRT are expected to drive higher demands.

#### **- Hotel Operations**

The expanded hospitality business has continued to provide stable income stream for the Group. The Group will continue to explore and evaluate opportunities for further expansion of the hotel operation within the region.

### **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	(14,179)	6,123
- Foreign tax	5,221	10,039
Deferred tax	3,969	687
Underprovision in prior year	37	1,016
	<u>(4,952)</u>	<u>17,865</u>

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

	Current quarter RM'000	Year to date RM'000
Profit before taxation	<u>26,582</u>	<u>117,572</u>
Taxation at the statutory income tax rate of 25%	6,646	29,393
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	(11,634)	(12,544)
Underprovision in prior year	37	1,016
Tax expense for the financial period	<u>(4,952)</u>	<u>17,865</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 31 January 2012 were as follows:

	Secured RM'000	Unsecured RM'000
<i>Long term borrowings</i>		
Foreign currency loans	800,074	-
<i>Short term borrowings</i>		
Foreign currency loans	104,965	-
Revolving credit	-	5,000
	<u>905,039</u>	<u>5,000</u>
Denomination of secured foreign currency loans:-		
<i>Long-term borrowings</i>		
C\$ 68,407,553	208,192	
S\$ 189,600,000	460,500	
US\$ 31,800,000	96,678	
RMB 72,000,000	34,703	
	<u>800,074</u>	
<i>Short-term borrowings</i>		
A\$ 23,250,000	75,404	
C\$ 4,286,286	13,045	
S\$ 6,800,000	16,516	
	<u>104,965</u>	

The secured foreign currency loans denominated in C\$ of the Group consist of the followings:-

- (a) A 15-year term loan (C\$31,745,763) which will mature on 1 December 2020. The fixed interest rate of 4.79% per annum on the loan is compounded semi-annually and payable monthly together with principal amount.
- (b) A 20-year term loan (C\$39,247,608) which will mature on 1 June 2031. The fixed interest rate of 4.26% per annum on the loan is compounded semi-annually and payable monthly together with principal amount.

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\$ 1,700,468) which will mature on 1 March 2015. The loans are subject to a variable interest rate of prime rate minus 0.1%. The loans are secured by mortgage and general security agreements in respect of the 3 apartment-residential properties in Canada.

The secured foreign currency loan denominated in A\$ of the Group is a 3-year Multi-Option (floating and/or fixed rate) Bill Facility will mature on 28 February 2012. The loan is secured against a freehold hotel land and building in Australia.



## B7 Group Borrowings and Debt Securities (Cont'd)

The secured foreign currency loan denominated in S\$ of the Group is a 5-Year term loan with a scheduled principal repayment S\$1,700,000 at the end of each of the 3 months from 30 November 2009. The interest applicable on the loan is the aggregate of 1.5%p.a and the SWAP offer rate. The term loan will mature on 30 November 2014 and is secured against the ordinary shares of a subsidiary and legal mortgage over a hotel in Singapore.

The secured foreign currency loan denominated in US\$ of the Group is a 3-year term loans (total of US\$31,800,000) of which USD19,800,000, will mature on 5 April 2014 and US\$12,000,000 will mature on 8 April 2014. The loans are subject to a variable interest rate of 1% over the bank's prevailing cost of funds. The loans are secured against a freehold hotel land and building in Australia.

The secured foreign currency loan denominated in RMB of the Group comprised of four term loans (total of RMB72,000,000) with maturities from 20 December 2013 to 24 April 2016. The loans are subject to variable interest rate, fluctuated by 5% below the benchmark rate. The loans are secured against a leasehold hotel land and building in the Republic of China.

## B8 Material Litigation

Kuala Lumpur High Court Summons No:

D8-22-1053-2008, D1-22-1054-2008, D8-22-1055-2008

Prisma Hiasan Sdn. Bhd., Teng Wee Eng, and Eagle Mode Sdn. Bhd. ("the Plaintiffs") vs. Indo Aman Sdn. Bhd. ("the Defendant")

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As disclosed in the last annual report for the financial year ended 31 January 2011, the Defendant received legal claims from the above-mentioned three Plaintiffs in year 2008.

The Defendant and the Plaintiffs had amicably settled the matter out of court in which the Defendant made a payment of RM1,519,630 as full and final settlement (without admission of any liability) on 7 October 2011. Both the Plaintiffs and the Defendant subsequently withdrew all the three suits with no order as to costs and without liberty to file afresh.

As at 13 March 2012, there were no changes in material litigation since the last reporting date of 31 January 2011, except as disclosed above.

## B9 Disclosure of Derivatives

### *Bonus protection foreign currency forward*

An agreement to buy or sell currencies at a future date for the specified series of FX contracts and enables partial protection of the total notional amount. This contract requires physical delivery and contains embedded foreign exchange derivatives which are sensitive to the change of market factors.

Types of derivatives/Maturity	Contract/Notional value	Fair value
Bonus protection foreign currency forward - Less than 1 year	RM91,206,000	RM1,735,662

## B9 Disclosure of Derivatives (Cont'd)

### *Bonus protection foreign currency forward (Cont'd)*

The Group entered into bonus protection foreign currency forward to minimise its exposure to foreign currency risks as a result of specific transactions denominated in currency other than its functional currency. These transactions arose from normal business activities. Foreign currency forwards 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 into directly to the income statement.

## B10 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.

## B11 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 <b>RM'000</b>	As at the end of last financial year <b>RM'000</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	889,354	437,306
- Unrealised	(20,379)	(34,899)
	<hr/> 868,975	<hr/> 402,407
Total retained profits of associated companies:		
- Realised	(3,250)	3,281
- Unrealised	78	78
	<hr/> (3,172)	<hr/> 3,359
Total retained profits of jointly controlled operations:		
- Realised	(1,648)	-
Less: Consolidation adjustments	<hr/> (471,503)	<hr/> (76,685)
Total retained profits as per Statement of Financial Position	<hr/> 392,652	<hr/> 329,081

## B12 Dividend

No dividend has been declared as at the date of this announcement.

## B13 Earnings Per Share (EPS) attributable to the owners of the parent

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Jan 2012	31 Jan 2011	31 Jan 2012	31 Jan 2011
<b>Basic earnings per share</b>				
Profit for the period (RM'000) - attributable to owners	31,534	26,635	99,707	91,367
Weighted average number of ordinary shares in issue ('000)	5,321,724	5,321,724	5,321,724	5,321,724
Basic earnings per share (sen)	<u>0.59</u>	<u>0.50</u>	<u>1.87</u>	<u>1.72</u>

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

In accordance with paragraph 23 of FRS 133: Earnings per share, ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. Accordingly, the number of ICPS in issue are included in the calculation of basic and diluted EPS of the Group, as the ICPS are mandatorily convertible to ordinary shares after the end of three years from the date of issue on 23 November 2009.

BY ORDER OF THE BOARD  
Kimmy Khoo Poh Kim

Kuala Lumpur  
20 March 2012