

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2012

	AS AT END OF CURRENT QUARTER 31/10/2012 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/1/2012 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,166,969	1,938,364
Investment property	185,233	188,335
Land held for property development	415,712	412,231
Prepaid land lease payments	216	221
Intangible assets	359,960	294,501
Land use rights	7,415	7,510
Associated companies	25,497	26,270
Jointly controlled operations	106,002	87,506
Jointly controlled entity	27,809	-
Investment securities	168,380	121,863
Financial receivables	257,319	266,648
Deferred lease registration fee	135	-
Deferred tax assets	6,241	7,147
	<u>3,726,888</u>	<u>3,350,596</u>
<b>Current assets</b>		
Property development costs	26,435	35,105
Properties & land held for resale	40,695	39,628
Inventories	4,392	2,489
Financial receivables	67,868	69,784
Trade receivables	44,124	27,934
Investment securities	23,396	27,371
Other receivables	49,166	56,344
Due from related companies	4,008	41,890
Short term funds	219,562	99,028
	<u>479,646</u>	<u>399,573</u>
<b>TOTAL ASSETS</b>	<b><u>4,206,534</u></b>	<b><u>3,750,169</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	(253,905)	(277,344)
	<u>2,406,957</u>	<u>2,383,518</u>
Non-controlling interest	-	-
Preference shares issued by subsidiaries	57,988	57,988
<b>TOTAL EQUITY</b>	<b><u>2,464,945</u></b>	<b><u>2,441,506</u></b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	266,097	234,682
Borrowings	1,026,279	800,124
	<u>1,292,376</u>	<u>1,036,247</u>
<b>Current liabilities</b>		
Provision for liabilities	2,687	2,224
Borrowings	185,708	119,608
Trade payables	64,585	47,373
Other payables	159,369	89,935
Due to related companies	24,999	3,367
Derivatives	1,902	1,736
Income tax payable	9,963	8,173
	<u>449,213</u>	<u>272,416</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,741,589</u></b>	<b><u>1,308,663</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>4,206,534</u></b>	<b><u>3,750,169</u></b>
Net assets value per ordinary share (RM)	<u>0.44</u>	<u>0.44</u>
Net assets value per share (inclusive of ordinary shares and ICPS)	<u>0.45</u>	<u>0.45</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012)

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

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/10/2012 RM'000	31/10/2011 RM'000	31/10/2012 RM'000	31/10/2011 RM'000
<b>Revenue</b>	159,685	146,315	453,480	411,532
Other income	8,160	4,532	19,781	14,454
Other expenses	(119,930)	(130,267)	(387,640)	(315,181)
<b>Profit from operations</b>	47,915	20,580	85,621	110,805
Finance costs	(7,600)	(8,250)	(22,057)	(20,469)
Share of results of associated companies	(36)	(39)	(773)	654
Share of results of jointly controlled operations	-	-	-	-
<b>Profit before tax</b>	40,279	12,291	62,791	90,990
Income tax expense	(6,190)	(3,912)	(11,946)	(22,817)
<b>Profit for the period</b>	34,089	8,379	50,845	68,173
Profit attributable to: Owners of the parent	34,089	8,379	50,845	68,173
Earnings per share attributable to owners of the parent				
Basic (sen)	0.64	0.16	0.96	1.28
Fully diluted (sen)	0.64	0.16	0.96	1.28
	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
Net assets value per share (RM)	0.44		0.44	
Net assets value per share (RM) (inclusive of ordinary shares and ICPS)	0.45		0.45	

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/10/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/10/2011 RM'000	CURRENT YEAR TO DATE 31/10/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2011 RM'000
<b>Profit for the period</b>	34,089	8,379	50,845	68,173
<b>Other comprehensive income/(loss):</b>				
Foreign currency translation differences for foreign operation	(52,451)	(1,524)	6,386	46,410
Net gain/ (loss) on fair value changes on available-for-sale financial assets	2,754	(686)	3,395	407
Income tax relating to components of other comprehensive income	(70)	172	(230)	(102)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>(49,767)</b>	<b>(2,039)</b>	<b>9,551</b>	<b>46,715</b>
<b>Total comprehensive income for the period</b>	<b>(15,678)</b>	<b>6,341</b>	<b>60,396</b>	<b>114,888</b>
Total comprehensive income attributable to:				
Owners of the parent	(15,678)	6,341	60,396	114,888
	<b>(15,678)</b>	<b>6,341</b>	<b>60,396</b>	<b>114,888</b>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 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 2011</b>	2,660,862	214	(926,077)	210	158,171	50,872	329,081	2,273,333	57,988	1	2,331,321
Dividend	-	-	-	-	-	-	(36,136)	(36,136)	-	-	(36,136)
Total comprehensive (loss)/income for the period	-	-	-	305	45,904	506	68,173	114,888	-	(1)	114,887
<b>At 31 October 2011</b>	<u>2,660,862</u>	<u>214</u>	<u>(926,077)</u>	<u>515</u>	<u>204,075</u>	<u>51,378</u>	<u>361,118</u>	<u>2,352,085</u>	<u>57,988</u>	<u>-</u>	<u>2,410,072</u>
<b>At 1 February 2012</b>	2,660,862	214	(926,077)	372	208,701	43,430	396,016	2,383,518	57,988	-	2,441,506
Dividend	-	-	-	-	-	-	(36,957)	(36,957)	-	-	(36,957)
Total comprehensive (loss)/income for the period	-	-	-	3,165	(1,914)	8,300	50,845	60,396	-	-	60,396
<b>At 31 October 2012</b>	<u>2,660,862</u>	<u>214</u>	<u>(926,077)</u>	<u>3,537</u>	<u>206,787</u>	<u>51,730</u>	<u>409,904</u>	<u>2,406,957</u>	<u>57,988</u>	<u>-</u>	<u>2,464,945</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012)

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

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

	9 months ended	
	31/10/2012	31/10/2011
	RM'000	RM'000
<b>Operating Activities</b>		
Profit before tax	62,791	90,990
Adjustments for:		
Non-cash items	56,619	61,528
Non-operating items	9,877	(15,892)
Operating profit before changes in working capital	<u>129,288</u>	<u>136,626</u>
Net decrease/(increase) in assets	69,415	(5,733)
Net increase in liabilities	97,603	46,353
Cash generated from operations	<u>296,307</u>	<u>177,246</u>
Interest (paid)/received	(267)	659
Taxes paid	(1,102)	(8,207)
Net cash generated from operating activities	<u>294,938</u>	<u>169,698</u>
<b>Investing Activities</b>		
Interest received	11,475	3,578
Acquisition of subsidiary	(270,912)	(119,129)
Investment in jointly controlled operations	(8,811)	(10,993)
Investment in jointly controlled entity	(27,809)	-
Development cost on land held for development	(3,481)	(18,640)
Purchase of property, plant and equipment	(37,009)	(11,150)
Purchase of derivatives	(2,406)	-
Proceeds on settlement of derivatives	3,051	-
Net (purchase)/proceeds from disposal of investment securities	(38,713)	-
Other (payments)/receipts	(3)	22
Net cash used in investing activities	<u>(374,619)</u>	<u>(156,312)</u>
<b>Financing Activities</b>		
Dividend paid	(36,957)	(36,136)
Interest paid	(21,733)	(20,469)
Net drawdown of borrowings	281,948	229,128
Decrease in pledged deposits for financing facilities	33	729
Net cash generated from financing activities	<u>223,292</u>	<u>173,252</u>
Net (decrease)/increase in Cash & Cash Equivalents during the period	143,610	186,638
Cash & Cash Equivalents at beginning of year		
As previously reported	65,934	144,995
Effects of exchange rate changes	(118)	3,015
As restated	65,816	148,010
Cash & Cash Equivalents at end of current period which exclude monies held in trust, Housing Developer Accounts and fixed deposits pledged to financial institutions	<u>209,426</u>	<u>334,648</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012)

# TA GLOBAL BERHAD (828855-P)

## Quarterly Report for the Period Ended 31 October 2012

Notes (in compliance with FRS 134)

### 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 year ended 31 January 2012.

### 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 2012, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and IC interpretations.

		<b>Effective for financial periods beginning on or after</b>
FRS 124	Related Party Disclosures (Revised)	1 January 2012
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7	Transfer of Financial Assets	1 January 2012
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

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

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

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

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.

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

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 January 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 January 2015.

## **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, China and Thailand 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 except for the following:

### **Conversion of Irredeemable Convertible Preference Shares ("ICPS") to Ordinary Shares**

During the current quarter ended 31 October 2012, the Company issued 107,788,255 ordinary shares pursuant to the conversion of ICPS by the ICPS holders. The conversion was satisfied by surrendering one ICPS of RM0.50 each in the Company for each new Company's ordinary share of RM0.50 each.

## **A8 Dividends Paid**

A final single-tier dividend on 4,106,360,000 ordinary shares of RM0.50 each of 1.80% or 0.90 sen for financial year ended 31 January 2012, amounting to RM36,957,238 was paid on 8 August 2012.

## 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	6,545	14,571	44,484	61,263	326,617	-	453,480
Inter-segment sales	20,485	4,203	15,551	-	-	(40,239)	-
Total revenue	27,030	18,774	60,035	61,263	326,617	(40,239)	453,480
<b>Other income</b>	3,905	9,570	642	1,234	4,430	-	19,781
<b>Results</b>							
Net segment results	693	(2,155)	20,582	15,749	61,123	-	95,992
Foreign exchange (losses)/gains	(13,694)	4,760	-	-	7,395	-	(1,539)
Unallocated costs							(8,832)
Profit from operations:							85,621
Finance costs	(8,336)	(1,714)	(7,184)	-	(4,823)	-	(22,057)
Share of results of associated companies	-	-	(773)	-	-	-	(773)
Profit before tax							62,791
Income tax expense							(11,946)
Profit for the year							50,845
<b>Attributable to:</b>							
Owners of the Parent							50,845
Non-controlling interest							-
							50,845



## A10 Subsequent Events

There were no material events subsequent to the end of the current quarter except for the following:-

### Investment in Nusa Lagenda

On 1 November 2012, TA Properties Sdn. Bhd., a wholly-owned subsidiary of the Company had acquired one ordinary share of RM1.00, representing 50% of the issued and paid-up share capital of Nusa Lagenda Development Sdn. Bhd. (“Nusa Lagenda”), for a total cash consideration of RM1.00.

Nusa Lagenda was incorporated on 24 May 2012 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The authorised share capital of Nusa Lagenda is RM100,000.00 divided into 100,000 shares of RM1.00 each. The current issued and paid-up capital of Nusa Lagenda is RM2.00. Nusa Lagenda is a property investment and development company, jointly controlled by TA Properties Sdn. Bhd. and Prominent Xtreme Sdn. Bhd..

## A11 Changes in the Composition of the Group

### Acquisition of a subsidiary

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

On 20 April 2012, TA Gemilang Sdn. Bhd. disposed 2 ordinary shares representing 100% equity interest in Crystal Caliber to TA Global Berhad, 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.

### Acquisition of Kingdom 5-KR-194, Ltd. and Kingdom 5-KR-195, Ltd..

On 31 May 2012, Crystal Caliber Sdn. Bhd. completed the acquisition of the hotel and business of Movenpick Karon Beach Resort in Phuket, Thailand via the purchase of the entire issued share capital of Kingdom 5-KR-194, Ltd. and Kingdom 5-KR-195, Ltd., for a total cash consideration of USD90,283,487. Subsequent to the completion of acquisition, the Kingdom 5-KR-194, Ltd and Kingdom 5-KR-195, Ltd had changed names to TAG 194, Ltd and TAG 195, Ltd respectively.

The acquired subsidiaries had contributed the following results to the Group:

	<b>3 Months Ended 31 October 2012 RM'000</b>	<b>9 Months Ended 31 October 2012 RM'000</b>
Revenue	12,400	20,715
Profit for the period	<u>4,086</u>	<u>6,226</u>

## A11 Changes in the Composition of the Group (cont'd)

The assets and liabilities arising from the acquisition were as follows:

	<b>Fair value recognised on acquisition RM'000</b>	<b>Acquiree's carrying amount RM'000</b>
Property, plant and equipment	253,725	253,725
Other non-current assets	63	63
Properties held for sale	1,031	1,031
Inventories	1,881	1,881
Trade and other receivables	4,409	4,409
Cash and bank balances	16,126	16,126
	<u>277,235</u>	<u>277,235</u>
Trade and other payables	15,736	15,736
Deferred tax liabilities	31,673	31,673
Deferred land lease revenue	9,537	9,537
	<u>56,946</u>	<u>56,946</u>
Fair value of net assets/Group's share of net assets	220,289	
Purchase goodwill	66,749	
Total cost of acquisition	<u>287,038</u>	

The effect of the acquisition on cash flows was as follows:

	<b>RM'000</b>
Purchase consideration satisfied by cash	287,038
Cash and cash equivalents of subsidiaries acquired	(16,126)
Net cash outflow for the Group	<u>270,912</u>

### **Incorporation of West Georgia GP Ltd.**

On 26 July 2012, West Georgia GP Ltd. was incorporated under the Business Corporation Act with the British Columbia Registrar of Companies under incorporation number BC0946507.

The principal activity of West Georgia GP Ltd. is to carry on the business of the Partnership in relation to the joint development project in Vancouver, Canada.

The current issued and paid-up capital of West Georgia GP Ltd. is C\$2.00 divided into 2 common shares of C\$1.00 each issued to TA West Georgia Developments Ltd. and 678269 BC Ltd. TA West Georgia Development Ltd. is a wholly-owned subsidiary of the Group.

## A11 Changes in the Composition of the Group (cont'd)

### Formation of a Limited Partnership

On 2 August 2012, TA West Georgia Development Ltd (“TAWG”), Birkbeck Trust and West Georgia GP Ltd entered into a Limited Partnership Agreement to form a Limited Partnership under the name of West Georgia Development Limited Partnership (“WGLP” or “Partnership”).

The following units in WGLP had been issued with the formation of the Partnership:-

- a) 100 Class “A” Units to TAWG at C\$1.00 per unit;
- b) 100 Class “A” Units to Birkbeck Trust at C\$1.00 per unit; and
- c) 1 Class “B” Unit to West Georgia GP Ltd at C\$1.00 per unit.

The Partnership was formed to undertake the joint development of hotel and residences on the piece of land located at 1151, West Georgia Street, City of Vancouver, British Columbia, Canada.

### Acquisition of Golden Artistic

On 23 October 2012, TA Properties Sdn Bhd, a wholly-owned subsidiary of the Company had acquired 2 ordinary shares representing 100% equity interest in Golden Artistic Sdn. Bhd. (“Golden Artistic”), for a total cash consideration of RM2.00.

Golden Artistic was incorporated on 25 July 2012 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The authorised share capital of Golden Artistic is RM100,000.00 divided into 100,000 shares of RM1.00 each. The current issued and paid-up capital of Golden Artistic is RM2.00. Golden Artistic is an investment holding company.

## A12 Changes in Contingent Liabilities or Contingent Assets

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

## A13 Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 October 2012 is as follow:

	<b>RM'000</b>
Approved and contracted for:	
- Renovation	1,210
- Jointly controlled operations	<u>308,340</u>
Approved but not contracted for:	
- Renovation	<u>19,333</u>

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

The Group reported profit before tax of RM40.3 million and revenue of RM159.7 million for the current third quarter compared to profit before tax of RM12.3 million and revenue of RM146.3 million respectively achieved in the previous year's corresponding period.

The Group recorded higher profit before tax from all divisions in the current quarter as compared with the previous year's corresponding quarter. The increase was mainly due to higher profit from hotel operations arising from the acquisition of Movenpick hotel in Thailand, higher profit recognised from on-going development projects in Damansara Avenue, and foreign exchange gain especially on US Dollar denominated borrowings.

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

	<b>Current Year Quarter 31 October 2012 RM'000</b>	<b>Preceding Year Corresponding Quarter 31 October 2011 RM'000</b>	<b>Current Year To-Date 31 October 2012 RM'000</b>
Revenue	159,685	146,315	453,480
Other income			
- Interest income from financial institutions	254	666	640
- Interest income from a joint venture in which the Group has 65% interest	583	-	1,843
- Interest income from investment securities	2,810	-	8,755
- Other interest income	96	463	294
- Amortisation of financial guarantee income	1,527	-	1,527
- Gain on settlement of derivatives	644	-	644
- Rental income	1,205	1,154	3,389
- Bad debts recovered	60	824	68
- Others	981	1,425	2,621
	<b>8,160</b>	<b>4,532</b>	<b>19,781</b>
Other expenses			
- Amortisation and depreciation	(20,266)	(17,490)	(57,583)
- Cost of properties and building materials sold	(14,748)	(13,389)	(45,749)
- Hotel operational expenses (include hotel personnel cost)	(81,462)	(70,648)	(225,747)
- Personnel and others	(8,530)	(11,226)	(30,493)
- Allowance for impairment loss on receivables	(1,491)	(1,338)	(25,276)
- Fair value loss on derivatives	(4,108)	-	(1,253)
- Foreign exchange gain/(loss)	10,675	(16,176)	(1,539)
	<b>(119,930)</b>	<b>(130,267)</b>	<b>(387,640)</b>
Finance costs	(7,600)	(8,250)	(22,057)
Share of results of associated companies	(36)	(39)	(773)
Profit before tax	<b>40,279</b>	<b>12,291</b>	<b>62,791</b>

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

### ***Investment holding***

Investment holding division reported a profit before tax of RM0.03 million in the current third quarter, as compared to loss before tax of RM9.1 million in the previous year's corresponding quarter. Despite higher fair value loss on derivatives and higher finance cost, profit before tax had improved due to foreign exchange gain on US Dollar denominated borrowings.

For the current period to-date, investment holding division reported RM20.5 million loss before tax as compared to loss before tax of RM16.1 million in the previous year. This was mainly due to the accumulated high foreign exchange loss resulting from loans payable denominated in Singapore Dollar.

### ***Finance and related services***

For the current third quarter, finance and related services division reported RM3.9 million profit before tax as compared to RM1.8 million loss before tax in the previous year's corresponding quarter. The increase was mainly due to significant lower foreign exchange loss on receivables denominated in Australian Dollar as compared to the previous year's corresponding quarter.

For the current period to-date, finance and related services division reported RM0.89 million profit before tax as compared to profit before tax of RM31.6 million in the previous year. This was mainly due to lower interest income recognised on financial receivables and higher impairment loss recognised during the period to-date.

### ***Property investment***

Property investment division contributed consistent profit before tax as compared to previous year's corresponding quarter and to previous year's corresponding period at approximately RM5 million and RM15 million respectively.

### ***Property development***

Property development division reported profit before tax of RM8.9 million in the current quarter as compared to RM0.8 million in the previous year's corresponding quarter. More profit was recognised due to the progress of the ongoing development projects in Damansara Avenue. This also contributed to the increase in current period's profit before tax to RM15.7 million from the previous year's corresponding period of RM4.4 million.

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

### *Hotel operations*

Hotel operations profit before tax had increased by 45% to RM25.0 million in the current quarter from RM17.2 million in the previous year's corresponding quarter. The increase was mainly due to revenue contributed by the newly acquired hotel in Thailand during the period to-date.

Due to the same factor above, the hotel operation division reported profit before tax at RM63.7 million in the current period to-date as compared to previous year's corresponding period at RM54.5 million. Hotel operations remained as the top profit contributor the Group's current period to-date profit before tax.

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

The Group recorded profit before tax of RM40.3 million in the current third quarter as compared to RM0.96 million in the preceding quarter. The increase was mainly due to higher hotel operating profit, more profit recognised from the progress of the on-going development projects, lower impairment loss on financial receivables and higher foreign exchange gain.

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

The global economic growth remained slow since the start of the year and the ongoing Eurozone crisis may further deteriorate the global economic outlook for financial year 2013. Domestically, the Malaysian economy has trended positively despite the volatile external environment.

### **The Prospects for Each Business Segment**

#### *Finance and related services*

The finance and related services shall remain as part of the business strategy for the Group to support the property development and property investment divisions.

#### *Property Investment*

The property investment will continue to provide stable income to the Group from the local and overseas assets in Canada and China.

#### *Property development*

Despite the slowdown in the local property market, the Group expects stable contribution from the property development activities for the financial year 2013 due to the strategic location of the development project situated in Klang Valley.

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

#### *Hotel Operations*

The hospitality division has contributed significantly to the Group's profits and we expect higher contributions from the hotel business.

Barring any adverse global economic developments, the Group is expected to perform satisfactorily in the financial year 2013.

### 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	2,670	5,016
- Foreign tax	2,139	4,827
Deferred tax	123	845
Underprovision in prior year	1,258	1,258
	<u>6,190</u>	<u>11,946</u>

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

	Current quarter RM'000	Year to date RM'000
Profit before taxation	<u>40,279</u>	<u>62,791</u>
Taxation at the statutory income tax rate of 25%	10,070	15,698
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	(3,880)	(3,752)
Tax expense for the financial period	<u>6,190</u>	<u>11,946</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 October 2012 were as follows:

	Secured RM'000
<u>Long term borrowings</u>	
Foreign currency loans	1,026,279
<u>Short term borrowings</u>	
Foreign currency loans	157,708
Revolving credit	28,000
	<u>1,211,987</u>

Denomination of secured foreign currency loans:-

<u>Long-term borrowings</u>		
C\$	65,057,963	198,811
S\$	184,500,000	461,379
A\$	28,600,000	90,648
US\$	78,780,372	240,241
RMB	72,000,000	35,201
		<u>1,026,279</u>
<u>Short-term borrowings</u>		
C\$	4,435,510	13,554
S\$	6,800,000	17,005
US\$	40,412,348	123,237
RMB	8,000,000	3,911
		<u>157,708</u>

The secured foreign currency loans of the Group consist of the followings:-

#### Loans denominated in C\$

- (a) A 15-year term loan (C\$29,560,995) which will mature on 1 December 2020.
- (b) A 20-year term loan (C\$38,252,658) which will mature on 1 June 2031.

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)**

- (c) Three 5-year term loans (total of C\$ 1,679,819) which will mature on 1 March 2015. The loans are secured by mortgage and general security agreements in respect of the 3 apartment-residential properties in Canada.

The above loans bear interest rates ranging from 2.9% to 4.8% per annum.

### Loan denominated in S\$

A 5-year term loan (S\$191,300,000) with a scheduled principal repayment of S\$1,700,000 at the end of each 3 months commencing from 30 November 2009, will mature on 30 November 2014. The loan bears floating interest rate ranging from 1.7% to 1.9%, and is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore.

### Loans denominated in A\$

A 3-year floating rate Bill Facility amounting to A\$28,600,000 which will mature on 28 February 2015. The loan is secured against a freehold hotel land and building in Australia. The loan bears interest rates ranging from 5.5% to 6.3% per annum.

### Loans denominated in US\$

- (a) 3-year loan (total of US\$78,780,372) which will mature on April 2014. The loan is secured against a freehold hotel land and building in Australia.
- (b) Short-term loan amounting to US\$40,412,348 on rollover basis. The loan is secured against certain quoted investment securities.

The above loans bear interest rates ranging from 0.6% to 2.1% per annum.

### Loans denominated in RMB

Four term loans (total of RMB80,000,000) with maturities from 20 December 2013 to 24 April 2016. The loans are subject to variable interest rate ranging from 5.6% to 6.7%, and are secured against a hotel building and land use rights in China.

## **B8 Material Litigation**

As at 10 December 2012, there were no changes in material litigation since the last annual reporting date of 31 January 2012.

## **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

Types of derivatives/Maturity	Contract/Notional value	Fair value asset/(liability)
Bonus protection foreign currency forwards -Less than 1 year	RM91,485,000	(RM1,675,981)
Geared Equity Accumulators -Less than 1 year	RM30,670,000	(RM226,184)

The Group entered into bonus protection foreign currency forwards 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.

The Group has also entered into geared equity accumulators which formed part of the Group's investment portfolio with a view to diversify the Group's investment portfolio.

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.

**B12 Disclosure of realised and unrealised profits/(losses) (Cont'd)**

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

	Current quarter RM'000	As at the end of last financial year RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	821,336	863,742
- Unrealised	(70,661)	(24,920)
	<u>750,675</u>	<u>838,822</u>
Total retained profits of associated companies:		
- Realised	3,151	660
- Unrealised	78	78
	<u>753,904</u>	<u>839,560</u>
Total share of accumulated losses from jointly controlled operations:		
- Realised	(1,648)	-
	<u>752,256</u>	<u>839,560</u>
Less: Consolidation adjustments	(342,352)	(478,442)
Total retained profits as per Statement of Financial Position	<u>409,904</u>	<u>361,118</u>

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31 October 2012	Preceding year corresponding quarter 31 October 2011	Current year to-date 31 October 2012	Preceding year corresponding period 31 October 2011
<b>Basic earnings per share</b>				
Profit for the period (RM'000)				
- attributable to owners	34,089	8,379	50,845	68,173
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>0.64</u>	<u>0.16</u>	<u>0.96</u>	<u>1.28</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.

**B13 Earnings Per Share (EPS) attributable to the owners of the parent (Cont'd)**

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue during the current financial period has been adjusted for the dilutive effects of all potential ordinary shares resulting from conversion of Irredeemable Cumulative Preference Shares ("ICPS").

BY ORDER OF THE BOARD  
Chuah Wen Pin

Kuala Lumpur  
17 December 2012