

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2013

	AS AT END OF CURRENT QUARTER 31/7/2013 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/1/2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,117,839	2,186,988
Investment properties	187,195	186,566
Land held for property development	415,362	414,522
Prepaid land lease payments	210	214
Intangible assets	348,823	363,333
Land use rights	7,865	7,541
Associated companies	24,718	25,229
Jointly controlled entities - unincorporated	108,867	106,856
Jointly controlled entity	98,423	92,622
Deferred tax assets	7,480	8,400
Investment securities	36,411	198,462
Financial receivables	278,768	266,471
	<u>3,631,961</u>	<u>3,857,204</u>
<b>Current assets</b>		
Property development costs	20,522	22,390
Properties & land held for resale	40,665	40,787
Inventories	4,667	4,391
Financial receivables	66,681	66,780
Trade receivables	34,864	45,582
Other receivables	64,512	48,679
Due from related companies	1,709	2,024
Short term funds	331,446	134,255
Investment securities	1,892	-
	<u>566,958</u>	<u>364,888</u>
<b>TOTAL ASSETS</b>	<b><u>4,198,919</u></b>	<b><u>4,222,092</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	(167,645)	(182,717)
	<u>2,493,217</u>	<u>2,478,145</u>
Non-controlling interest	-	-
Preference shares issued by subsidiaries	57,988	57,988
<b>TOTAL EQUITY</b>	<b><u>2,551,205</u></b>	<b><u>2,536,133</u></b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	261,581	262,123
Borrowings	821,470	911,275
	<u>1,083,051</u>	<u>1,175,133</u>
<b>Current liabilities</b>		
Provision for liabilities	2,844	2,209
Borrowings	268,660	183,752
Trade payables	6,929	43,698
Other payables	161,409	161,634
Due to related companies	114,635	106,847
Income tax payable	8,745	10,998
Derivatives	1,441	1,688
	<u>564,663</u>	<u>510,826</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,647,714</u></b>	<b><u>1,685,959</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>4,198,919</u></b>	<b><u>4,222,092</u></b>
Net assets value per ordinary share (RM)	<u>0.47</u>	<u>0.46</u>
Net assets value per share (inclusive of ordinary shares and ICPS)	<u>0.47</u>	<u>0.47</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013)

**TA GLOBAL BERHAD (828855-P)**
**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 JULY 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/7/2013	31/7/2012	31/7/2013	31/7/2012
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	152,312	147,776	310,208	293,795
Other income	4,454	5,486	21,067	11,621
Other expenses	(149,203)	(144,566)	(266,062)	(267,710)
<b>Profit from operations</b>	<u>7,563</u>	<u>8,696</u>	<u>65,213</u>	<u>37,706</u>
Finance costs	(8,232)	(7,535)	(14,505)	(14,457)
Share of results of associated companies	(422)	(203)	(511)	(737)
Share of results of jointly controlled entities	(46)	-	(46)	-
Share of results of jointly controlled entities - unincorporation	(199)	-	(199)	-
<b>Profit before tax</b>	<u>(1,336)</u>	<u>958</u>	<u>49,952</u>	<u>22,512</u>
Income tax expense	(2,009)	(1,782)	(5,951)	(5,756)
<b>Profit for the period</b>	<u><u>(3,345)</u></u>	<u><u>(824)</u></u>	<u><u>44,001</u></u>	<u><u>16,756</u></u>
Profit attributable to: Owners of the parent	<u>(3,345)</u>	<u>(824)</u>	<u>44,001</u>	<u>16,756</u>
	<u><u>(3,345)</u></u>	<u><u>(824)</u></u>	<u><u>44,001</u></u>	<u><u>16,756</u></u>
Earnings per share attributable to owners of the parent				
Basic (sen)	(0.06)	(0.02)	0.83	0.31
Fully diluted (sen)	(0.06)	(0.02)	0.83	0.31
	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
Net assets value per share (RM)	0.47		0.46	
Net assets value per share (RM) (inclusive of ordinary shares and ICPS)	0.47		0.47	

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 JULY 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/7/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/7/2012 RM'000	CURRENT YEAR TO DATE 31/7/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/7/2012 RM'000
<b>Profit for the period</b>	(3,345)	(824)	44,001	16,756
<b>Other comprehensive income/(loss):</b>				
<b>Items that will be reclassified subsequently to profit or loss:</b>				
Foreign currency translation differences for foreign operation	8,818	76,431	(28,871)	58,837
Available-for-sale financial assets				
- Net fair value gain/(loss)	(544)	1,253	1,542	641
- Reclassification to profit or loss	439	-	(1,331)	-
Income tax relating to components of other comprehensive income	(350)	(364)	(269)	(160)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>8,363</b>	<b>77,320</b>	<b>(28,929)</b>	<b>59,318</b>
<b>Total comprehensive income for the period</b>	<b>5,018</b>	<b>76,496</b>	<b>15,072</b>	<b>76,074</b>
Total comprehensive income attributable to:				
Owners of the parent	5,018	76,496	15,072	76,074
	<b>5,018</b>	<b>76,496</b>	<b>15,072</b>	<b>76,074</b>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 July 2013**

	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 2012</b>	2,660,862	214	(926,077)	372	208,701	43,430	396,016	2,383,518	57,988	-	2,441,506
Total comprehensive (loss)/income for the period	-	-	-	481	31,131	27,706	16,756	76,074	-	-	76,074
<b>At 31 July 2012</b>	2,660,862	214	(926,077)	853	239,832	71,136	412,772	2,459,592	57,988	-	2,517,580
<b>At 1 February 2013</b>	2,660,862	214	(926,077)	1,976	236,946	51,731	452,493	2,478,145	57,988	-	2,536,133
Total comprehensive (loss)/income for the period	-	-	-	(58)	(51,081)	22,210	44,001	15,072	-	-	15,072
<b>At 31 July 2013</b>	2,660,862	214	(926,077)	1,918	185,865	73,941	496,494	2,493,217	57,988	-	2,551,205

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2013**

	6 months ended	
	31/7/2013 RM'000	31/7/2012 RM'000
<b>Operating Activities</b>		
Profit before tax	49,952	22,512
Adjustments for:		
Non-cash items	46,850	70,080
Non-operating items	(2,927)	6,667
Operating profit before changes in working capital	93,875	99,259
Net decrease/(increase) in assets	27,128	(76,841)
Net (decrease)/increase in liabilities	(50,042)	103,003
Cash generated from operations	70,962	125,421
Interest (paid)/received	1,023	(296)
Taxes (paid)/refunded	(8,694)	3,815
Net cash generated from operating activities	63,291	128,940
<b>Investing Activities</b>		
Interest received	5,304	7,187
Acquisition of subsidiary	-	(270,911)
Investment in jointly controlled entities - unincorporated	307	(8,107)
Development cost on land held for development	(840)	(551)
Purchase of property, plant and equipment	(7,556)	(29,987)
Purchase of derivatives	13,918	-
Proceeds on settlement of derivatives	(11,940)	-
Net (purchase)/proceeds from disposal of investment securities	172,094	(38,713)
Other receipts/(payments)	52	(7)
Net cash generated from / (used in) investing activities	171,339	(341,089)
<b>Financing Activities</b>		
Interest paid	(14,505)	(13,559)
Net drawdown of borrowings	(20,731)	249,760
Proceeds from settlement of derivatives	-	1,090
(Increase)/decrease in pledged deposits for financing facilities	(161,347)	(22)
Net cash generated from financing activities	(196,583)	237,269
Net (decrease)/increase in Cash & Cash Equivalents during the period	38,047	25,120
Cash & Cash Equivalents at beginning of year		
As previously reported	87,871	65,934
Effects of exchange rate changes	(591)	1,312
As restated	87,280	67,246
Cash & Cash Equivalents at end of current period which exclude monies held in trust, and fixed deposits pledged to financial institutions	125,327	92,366

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013)

# TA GLOBAL BERHAD (828855-P)

## Quarterly Report for the Period Ended 31 July 2013

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 2013.

### 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 2013, 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 101	Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)	1 July 2012
Amendments to FRS 101	Presentation of Financial Statements (Improvement to FRSs (2012))	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurements	1 January 2013
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associate and Joint Ventures	1 January 2013
Amendment to IC Interpretation 2	Members' Shares in Cooperative Entities and Similar Instruments (Improvements to FRSs (2012))	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7	Disclosures: Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 116	Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132	Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 134	Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11	Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

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

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

### Malaysian Financial Reporting Standards Framework (“MFRS Framework”)

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

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

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 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 operations are not affected by any seasonal or cyclical factors other than hotel operation in Australia, Singapore, Canada, China and Thailand which 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 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 except for the following:

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

During the financial period ended 31 July 2013, the Company issued 266,474,860 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

No dividend has been paid during the current financial quarter.

## A9 Segmental Information

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

	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	7,919	2,563	27,003	43,498	229,225	-	310,208
Inter-segment sales	8,442	2,648	10,103	-	-	(21,193)	-
Total revenue	16,361	5,211	37,106	43,498	229,225	(21,193)	310,208
<b>Other income</b>	626	15,331	583	1,142	3,385	-	21,067
<b>Results</b>							
Net segment results	867	16,048	10,711	11,289	45,013	-	83,928
Foreign exchange (losses)/gains	(9,292)	7,861	-	-	(10,395)	-	(11,826)
Unallocated costs							(6,889)
Profit from operations:							65,213
Finance costs	(6,577)	(410)	(4,708)	-	(2,810)	-	(14,505)
Share of results of associated companies	-	-	(189)	(322)	-	-	(511)
Share of results of jointly controlled entities	-	-	(46)	-	-	-	(46)
Share of results of jointly controlled entities - unincorporated	-	-	(199)	-	-	-	(199)
Profit before tax							49,952
Income tax expense							(5,951)
Profit for the year							44,001
<b>Attributable to:</b>							
Owners of the parent							44,001
Non-controlling interest							-
							44,001



## A10 Subsequent Events

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

## A11 Changes in the Composition of the Group

### Acquisition of a subsidiary

On 5 April 2013, TA Properties Sdn. Bhd., a wholly-owned subsidiary of the Company had acquired 2 ordinary shares representing 100% equity interest in Harmony Sanctuary Sdn. Bhd. ("Harmony Sanctuary"), for a total cash consideration of RM2.00.

Harmony Sanctuary was incorporated on 8 March 2013 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The authorised share capital of Harmony Sanctuary is RM100,000.00 divided into 100,000 shares of RM1.00 each. The current issued and paid-up capital of Harmony Sanctuary is RM2.00. Harmony Sanctuary is a property development and investment company.

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

## 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 July 2013 is as follow:

	<b>RM'000</b>
Approved and contracted for:	
- Renovation	21,080
- Jointly controlled entities	252,048
	<hr/> 273,128 <hr/>

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

The Group reported loss before tax of RM1.3 million and revenue of RM152.3 million for the current second quarter compared to profit before tax of RM1.0 million and revenue of RM147.8 million respectively achieved in the previous year's corresponding period.

Although the revenue has slightly increased, a loss was recorded for this quarter due to the foreign exchange loss resulted from the strengthening of US Dollar against the reporting currencies of the group.

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

	<b>Current Year Quarter 31 July 2013 RM'000</b>	<b>Preceding Year Corresponding Quarter 31 July 2012 RM'000</b>	<b>Current Year To-Date 31 July 2013 RM'000</b>
Revenue	152,312	147,776	310,208
Other income			
- Interest income from financial institutions	754	156	1,175
- Interest income from a joint venture in which the Group has 65% interest	285	642	557
- Interest income from investment securities	693	2,729	1,766
- Other interest income	180	87	267
- Deemed fee income from provision of financial guarantee	777	-	1,511
- Gain on disposal of investment securities	161	-	10,841
- Realised (loss)/gain on settlement of derivatives	(409)	-	258
- Rental income	1,556	1,072	3,146
- Gain on disposal of property, plant and equipment	5	874	6
- Bad debts recovered	-	8	-
- Others	452	(82)	1,540
	<b>4,454</b>	<b>5,486</b>	<b>21,067</b>
Other expenses			
- Amortisation and depreciation	(19,703)	(19,920)	(39,301)
- Cost of properties and building materials sold	(19,956)	(19,280)	(36,338)
- Hotel operational expenses (include hotel personnel cost)	(75,236)	(74,464)	(156,797)
- Personnel and others	(11,185)	(11,924)	(20,642)
- Reversal /(allowance) for impairment loss on receivables	680	(16,396)	716
- Fair value loss on revaluation of investments	(199)	-	(199)
- Impairment loss on investment securities	(574)	-	(829)
- Unrealised fair value (loss)/gain on derivatives	(129)	3,476	(846)
- Foreign exchange gain/(loss)	(22,901)	(6,058)	(11,826)
	<b>(149,203)</b>	<b>(144,566)</b>	<b>(266,062)</b>
Finance costs	(8,232)	(7,535)	(14,505)
Share of results of associated companies	(422)	(203)	(511)
Share of results of jointly controlled entity	(46)	-	(46)
Share of results of jointly controlled entity - unincorporated	(199)	-	(199)
(Loss)/Profit before tax	<b>(1,336)</b>	<b>958</b>	<b>49,952</b>

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

### ***Investment holding***

Investment holding division reported loss before tax of RM24.9 million in the current second quarter, as compared to loss before tax of RM9.4 million in the previous year's corresponding quarter. The increase in loss before tax as compared to previous year's corresponding quarter was mainly due to foreign exchange loss on US Dollar and Singapore Dollar denominated borrowings resulted from the weakening of Ringgit Malaysia against these currencies.

For the current period-to-date, this division reported RM15 million loss before tax as compared to loss before tax of RM20.1 million in the previous year's corresponding period. This was mainly due to lower accumulated foreign exchange loss resulting from loans payable denominated in Singapore Dollar.

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

For the current second quarter, finance and related services division reported RM13.0 million profit before tax, as compared to RM10.0 million loss before tax in the previous year's corresponding quarter. The significant variance was mainly due to lower impairment losses on financial receivables for the current second quarter as compare to the previous year's corresponding quarter.

For the current period-to-date, this division reported RM23.5 million profit before tax as compared to RM3.0 million loss before tax in the previous year's corresponding period. In addition to the factors mentioned above, the increase was also boosted by gain on disposal of investment securities and realised gain on derivatives.

### ***Property investment***

Property investment division reported profit before tax of RM2.0 million in the current second quarter, as compared to profit before tax of RM3.4 million in the previous year's corresponding quarter. This division contributed consistent profit to the Group. The slight decrease was mainly due to higher operation cost. This also explained the decrease current period-to-date pre-tax profit at 5.6 million as compared to RM7.2 million last year.

### ***Property development***

Property development division reported profit before tax of RM8.4 million in the current second quarter, as compared to profit before tax of RM4.3 million in the previous year's corresponding quarter. The significant increase was mainly due to higher percentage of completion on the ongoing development projects in Damansara Avenue.

For the current period-to-date, this division reported RM11.0 million profit before tax as compared to RM6.8 million profit before tax in the previous year's corresponding period. The increase was mainly due to the steady progress of the ongoing development projects in Damansara Avenue.

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

### *Hotel operations*

Hotel operations division registered net operating profit of RM17 million in the current year's second quarter, as compared to RM17.8 million in the previous year's corresponding quarter.

For the current period-to-date, this division achieved net operating segment profit of RM45 million, as compared to RM40.1 million in preceding year's period-to-date.

Hotel operations had contributed sustainable revenue to the Group. However, current year's second quarter profit before tax of the division dropped to RM3.8 million due to higher foreign exchange translation losses resulted from the appreciation of USD against the reporting currency of the Group.

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

The Group recorded loss before tax of RM1.3 million in the current second quarter as compared to profit before tax of RM51.3 million in the preceding quarter.

Although profit before tax from the finance and related service and property development has improved, the Group faced a significant impact on foreign exchange loss due to the weakening of Ringgit Malaysia against foreign currencies and weaker hotel performance.

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

In financial year 2014, the Malaysian economic performance shall continue to be driven principally by the government's project initiatives and public and private investments under the Economic Transformation Programme (ETP). Although the property market sentiment remains hesitant, generally the prices are expected to remain stable in year 2013.

The prospects for each business division is summarised below:

### *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 overseas property investment will continue to generate stable income to the Group's earnings for the current financial year. The Group will continue to explore opportunity to increase its property investments to generate higher returns.

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

#### *Property development*

The domestic property market is set to grow further in 2013 as the ETP projects continue to sustained sales growth in 2013. As our property development projects are within the Klang Valley, we expect a modest growth for the financial year.

With the announced Trump branding for the Canada joint development projects coupled with the continued low mortgage interest rates, it will encourage the residential sales launching in October 2013 and it will be positive for the sales and demand of our joint development projects in Vancouver.

Our alliance project in Sydney will continue to be our focus in the current financial year. With the "Build-Then-Sell" approach adopted in that country, the contributions from these projects to the Group's earnings will come in at the later stage of the development.

#### *Hotel Operations*

Our hospitality business spanning across Singapore, Australia, China, Canada and Thailand is expected to continue to generate a stable recurrent income stream for the Group. Hotel occupancy rates especially in Australia has been strong. Demand is expected to outstrip supply and hotels are expected to generate higher occupancy rates. Sustained growth in business travel and robust growth of international tourist arrivals from emerging Asian economies will drive the hospitality industry. Our hotels in Sydney and Melbourne are poised to benefit from these positive indicators.

We will continue to explore and evaluate opportunities for expansion of our hotel operations to further enhance the revenue contribution from hospitality division.

Barring any unforeseen circumstances, the Group will continue to be profitable in the financial year ending 31 January 2014.

### **B4 Variance between Actual Profit and Forecast Profit**

Not applicable.

### **B5 Taxation**

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

	<b>Current quarter</b>	<b>Year to date</b>
	<b>RM'000</b>	<b>RM'000</b>
Estimated tax charge for the period:		
- Malaysian income tax	2,149	3,915
- Foreign tax	(824)	1,713
Deferred tax	684	324
	<u>2,009</u>	<u>5,952</u>

## B5 Taxation (Cont'd)

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

	<b>Current quarter RM'000</b>	<b>Year to date RM'000</b>
(Loss)/Profit before taxation	<u>(1,336)</u>	<u>49,952</u>
Taxation at the statutory income tax rate of 25%	(334)	12,488
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	2,343	(6,536)
Tax expense for the financial period	<u><u>2,009</u></u>	<u><u>5,952</u></u>

## B6 Corporate Proposals

### Status of Corporate Proposals

No corporate proposals have been announced but not completed at the date of this quarterly report.

## B7 Group Borrowings and Debt Securities

Total Group borrowings as at 31 July 2013 were as follows:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>
<u><i>Long term borrowings</i></u>		
Foreign currency loans	721,665	-
Revolving credits	99,805	
<u><i>Short term borrowings</i></u>		
Foreign currency loans	220,784	-
Loans and revolving credits	17,876	30,000
	<u><u>1,060,130</u></u>	<u><u>30,000</u></u>

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

Denomination of secured foreign currency loans and revolving credits:-

		Secured <b>RM'000</b>
<i>Long-term borrowings</i>		
C\$	61,606,465	194,097
S\$	179,400,000	457,685
A\$	14,450,000	42,359
RMB	52,000,000	27,524
		<u>721,665</u>
<i>Short-term borrowings</i>		
C\$	5,989,948	18,872
S\$	6,800,000	17,348
RMB	20,000,000	10,586
HK\$	3,446,169	1,442
US\$	53,186,133	172,536
		<u>220,784</u>

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

### Loans denominated in C\$

- (a) A 15-year term loan (C\$27,297,272) which will mature on 5 December 2020.
- (b) A 20-year term loan (C\$37,226,158) which will mature on 5 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.

- (c) Three 5-year term loans (total of C\$ 1,672,983) 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.
- (d) Short term revolving credits (C\$3,900,000) of which C\$2,500,000 is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore, and C\$1,400,000 is secured against a hotel in Australia.

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\$186,200,000) 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 1.6% to 1.8%, and is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore.

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

### Loans denominated in A\$

A 3-year floating rate Bill Facility amounting to A\$14,450,000 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 4.8% to 5.0% per annum.

### Loans denominated in US\$

- (a) 3-year revolving credit (total of US\$501,170) which will mature in April 2014. The revolving credit is secured against a freehold hotel land and building in Australia.
- (b) Short-term loans amounting to US\$52,684,963 on rollover basis. The loans are secured against certain investment securities.

The above loans bear interest rates ranging from 0.5% to 1.9% per annum.

### Loans denominated in RMB

Four term loans (total of RMB72,000,000) with maturities from 20 December 2013 to 24 April 2016. The loans are subject to average interest rate of 5.64%, and are secured against a hotel building and land use rights in China.

### Loan denominated in HK\$

Short-term loan amounting to HK\$3,446,169 on rollover basis. The loan is secured against certain investment securities and bear interest rate of 0.46% per annum.

Loans and revolving credits denominated in RM bear interest rates ranging from 4.32% to 4.36%, of which RM10,000,000 are secured by corporate guarantees, and RM99,805,000 is secured against corporate guarantee and a freehold land in Kuala Lumpur.

## **B8 Material Litigation**

As at 17 September 2013, there were no changes in material litigation since the last annual reporting date of 31 January 2013.

## **B9 Dividend**

Apart from the first and final single-tier dividend of 1.20% (0.60 sen per ordinary share) in respect of the financial year ended 31 January 2013 approved by shareholders during the Annual General Meeting on 5 July 2013, there was no further dividend declared as at the date of this quarterly report.



**B10 Disclosure of Derivatives**

Types of derivatives/Maturity	Contract/Notional value	Fair value asset/(liability)
Geared Equity Accumulators -Less than 1 year	RM41,281,096	(RM1,440,974)
Geared Equity Decumulators -Less than 1 year	RM2,214,857	-

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

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits is 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 subsidiary companies:		
- Realised	874,923	811,932
- Unrealised	(90,795)	(67,011)
	<u>784,128</u>	<u>744,921</u>
Total share of retained profits of associated companies:		
- Realised	2,278	2,887
- Unrealised	78	78
	<u>2,356</u>	<u>2,965</u>
Total share of accumulated losses from jointly control entities:		
- Realised	(2,770)	(2,525)
Less: Consolidation adjustments	<u>(287,220)</u>	<u>(292,868)</u>
Total retained profits as per Statement of Financial Position	<u>496,494</u>	<u>452,493</u>

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31 July 2013	Preceding year corresponding quarter 31 July 2012	Current year to-date 31 July 2013	Preceding year corresponding period 31 July 2012
<b>Basic earnings per share</b>				
(Loss)/Profit for the period (RM'000)				
- attributable to owners	(3,345)	(824)	44,001	16,756
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>(0.06)</u>	<u>(0.02)</u>	<u>0.83</u>	<u>0.31</u>

Basic earnings per share was calculated based on the Group's profit attributable to equity holders of the Company divided by for 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  
24 September 2013