

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2014

|  | AS AT<br>END OF<br>CURRENT<br>QUARTER<br>31/1/2014<br>RM'000 | AS AT<br>PRECEDING<br>FINANCIAL<br>YEAR END<br>31/1/2013<br>RM'000 |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Non-current assets</b>  |  |  |
| Property, plant and equipment                                      | 2,095,894  | 2,186,988  |
| Investment properties  | 229,793  | 186,566  |
| Land held for property development                                 | 415,872  | 414,522  |
| Prepaid land lease payments  | 206  | 214  |
| Intangible assets  | 272,623  | 363,333  |
| Land use rights  | 8,071  | 7,541  |
| Associated companies   | 24,672   | 25,229   |
| Jointly controlled entities - unincorporated                       | 68,928   | 106,856  |
| Jointly controlled entity  | 87,895   | 92,622   |
| Deferred tax assets  | 8,386  | 8,400  |
| Investment securities  | 37,352   | 198,462  |
| Financial receivables  | 350,905  | 266,471  |
|  | <u>3,600,597</u>   | <u>3,857,204</u>   |
| <b>Current assets</b>  |  |  |
| Property development costs   | 14,833   | 22,390   |
| Properties & land held for resale                                  | 43,740   | 40,787   |
| Inventories  | 3,973  | 4,391  |
| Financial receivables  | 7,685  | 66,780   |
| Trade receivables  | 49,127   | 45,582   |
| Other receivables  | 51,861   | 48,679   |
| Due from related companies   | 268  | 2,024  |
| Short term funds   | 454,401  | 134,255  |
| Investment securities  | 139,869  | -  |
|  | <u>765,757</u>   | <u>364,888</u>   |
| <b>TOTAL ASSETS</b>  | <b><u>4,366,354</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   | (135,214)  | (182,717)  |
|  | <u>2,525,648</u>   | <u>2,478,145</u>   |
| Non-controlling interest   | -  | -  |
| Preference shares issued by subsidiaries                           | 57,988   | 57,988   |
| <b>TOTAL EQUITY</b>  | <b><u>2,583,636</u></b>                                      | <b><u>2,536,133</u></b>  |
| <b>Non-current liabilities</b>                                     |  |  |
| Deferred tax liabilities   | 216,657  | 262,123  |
| Borrowings   | 362,814  | 911,275  |
| Provision for liabilities  | -  | 1,735  |
|  | <u>579,471</u>   | <u>1,175,133</u>   |
| <b>Current liabilities</b>   |  |  |
| Provision for liabilities  | 2,907  | 2,209  |
| Borrowings   | 853,491  | 183,752  |
| Trade payables   | 24,700   | 43,698   |
| Other payables   | 227,196  | 161,634  |
| Due to related companies   | 73,120   | 106,847  |
| Income tax payable   | 20,875   | 10,998   |
| Derivatives  | 958  | 1,688  |
|  | <u>1,203,247</u>   | <u>510,826</u>   |
| <b>TOTAL LIABILITIES</b>   | <b><u>1,782,718</u></b>                                      | <b><u>1,685,959</u></b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                | <b><u>4,366,354</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)

## CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2014

|   | INDIVIDUAL QUARTER                  |                                      | CUMULATIVE QUARTER                        |                                     |
|---|-------------------------------------|--------------------------------------|---|-------------------------------------|
|   | CURRENT YEAR QUARTER                | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE                      | PRECEDING YEAR CORRESPONDING PERIOD |
|   | 31/1/2014                           | 31/1/2013                            | 31/1/2014                                 | 31/1/2013                           |
|   | RM'000                              | RM'000                               | RM'000                                    | RM'000                              |
| <b>Revenue</b>  | 231,778                             | 184,541                              | 692,438                                   | 638,021                             |
| Other income  | 11,345                              | 7,327                                | 40,675                                    | 27,108                              |
| Other expenses  | (184,296)                           | (140,983)                            | (575,608)                                 | (528,623)                           |
| <b>Profit from operations</b>   | <b>58,827</b>                       | <b>50,885</b>                        | <b>157,505</b>                            | <b>136,506</b>                      |
| Finance costs   | (8,901)                             | (8,362)                              | (32,637)                                  | (30,419)                            |
| Share of results of associated companies                                | (51)                                | (268)                                | (558)                                     | (1,041)                             |
| Share of results of jointly controlled entities                         | (5,132)                             | (47)                                 | (5,185)                                   | (47)                                |
| Share of results of jointly controlled entities - unincorporation       | (108)                               | (830)                                | (525)                                     | (830)                               |
| <b>Profit before tax</b>  | <b>44,635</b>                       | <b>41,378</b>                        | <b>118,600</b>                            | <b>104,169</b>                      |
| Income tax expense  | 16,271                              | 1,211                                | 5,303                                     | (10,735)                            |
| <b>Profit for the period</b>  | <b>60,906</b>                       | <b>42,589</b>                        | <b>123,903</b>                            | <b>93,434</b>                       |
| Profit attributable to:<br>Owners of the parent                         | 60,906                              | 42,589                               | 123,903                                   | 93,434                              |
|   | <b>60,906</b>                       | <b>42,589</b>                        | <b>123,903</b>                            | <b>93,434</b>                       |
| Earnings per share attributable to owners of the parent                 |                                     |                                      |   |                                     |
| Basic (sen)   | 1.14                                | 0.80                                 | 2.33                                      | 1.76                                |
| Fully diluted (sen)   | 1.14                                | 0.80                                 | 2.33                                      | 1.76                                |
|   | <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 JANUARY 2014

|  | INDIVIDUAL QUARTER                          |   | CUMULATIVE QUARTER                          |  |
|--|---|---|---|--|
|  | CURRENT YEAR QUARTER<br>31/1/2014<br>RM'000 | PRECEDING YEAR CORRESPONDING QUARTER<br>31/1/2013<br>RM'000 | CURRENT YEAR TO DATE<br>31/1/2014<br>RM'000 | PRECEDING YEAR CORRESPONDING PERIOD<br>31/1/2013<br>RM'000 |
| <b>Profit for the period</b>   | 60,906                                      | 42,589  | 123,903                                     | 93,434   |
| <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         | 6,433                                       | 30,160  | (46,303)                                    | 36,546   |
| Available-for-sale financial assets                                    |   |   |   |  |
| - Net fair value gain/(loss)   | (159)                                       | (1,925)   | 1,579                                       | 1,470  |
| - Reclassification to profit or loss                                   | -   | -   | (1,331)                                     | -  |
| Income tax relating to components of other comprehensive income        | 61  | 364   | (120)                                       | 134  |
| <b>Other comprehensive income/(loss) for the period, net of tax</b>    | <b>6,335</b>                                | <b>28,599</b>   | <b>(46,175)</b>                             | <b>38,150</b>  |
| <b>Total comprehensive income for the period</b>                       | <b>67,241</b>                               | <b>71,188</b>   | <b>77,728</b>                               | <b>131,584</b>   |
| Total comprehensive income attributable to:                            |   |   |   |  |
| Owners of the parent   | 67,241                                      | 71,188  | 77,728                                      | 131,584  |
|  | <b>67,241</b>                               | <b>71,188</b>   | <b>77,728</b>                               | <b>131,584</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 JANUARY 2014**

|  | Attributable to owners of the parent |                           | Distributable                           |                                  | Preference Shares<br>Issued by<br>Subsidiaries<br>RM'000 | Non-controlling<br>interests<br>RM'000 | Total<br>Equity<br>RM'000 |   |                            |                 |           |
|--|--------------------------------------|---------------------------|---|----------------------------------|--|--|---------------------------|---|----------------------------|-----------------|-----------|
|  | Share capital<br>RM'000              | Capital reserve<br>RM'000 | Available-for-sale<br>reserve<br>RM'000 | Translation<br>reserve<br>RM'000 |  |  |                           | Exchange<br>difference<br>recognised in<br>equity<br>RM'000 | Retained profits<br>RM'000 | Total<br>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 |
| Dividend   | -                                    | -                         | -                                       | -                                | -  | -                                      | (36,957)                  | (36,957)  | -                          | -               | (36,957)  |
| Total comprehensive (loss)/income for the period | -                                    | -                         | -                                       | 1,604                            | 28,245   | 8,301                                  | 93,434                    | 131,584   | -                          | -               | 131,584   |
| <b>At 31 January 2013</b>                        | 2,660,862                            | 214                       | (926,077)                               | 1,976                            | 236,946  | 51,731                                 | 452,493                   | 2,478,145   | 57,988                     | -               | 2,536,133 |
| <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 |
| Dividend   | -                                    | -                         | -                                       | -                                | -  | -                                      | (30,225)                  | (30,225)  | -                          | -               | (30,225)  |
| Total comprehensive (loss)/income for the period | -                                    | -                         | -                                       | 128                              | (66,202)   | 19,899                                 | 123,903                   | 77,728  | -                          | -               | 77,728    |
| <b>At 31 January 2014</b>                        | 2,660,862                            | 214                       | (926,077)                               | 2,104                            | 170,744  | 71,630                                 | 546,171                   | 2,525,648   | 57,988                     | -               | 2,583,636 |

(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 JANUARY 2014**

|  | 12 months ended     |                     |
|--|---------------------|---------------------|
|  | 31/1/2014<br>RM'000 | 31/1/2013<br>RM'000 |
| <b>Operating Activities</b>  |                     |                     |
| Profit before tax  | 118,600             | 104,169             |
| Adjustments for:   |                     |                     |
| Non-cash items   | 90,340              | 117,417             |
| Non-operating items  | 18,224              | (3,860)             |
| Operating profit before changes in working capital   | 227,164             | 217,726             |
| Net decrease/(increase) in assets  | (220,421)           | (27,397)            |
| Net (decrease)/increase in liabilities   | (138,803)           | 41,913              |
| Cash (used in)/generated from operations   | (132,061)           | 232,242             |
| Interest (paid)/received   | 1,498               | 9,861               |
| Taxes (paid)/refunded  | (35,456)            | (5,836)             |
| Net cash (used in)/generated from operating activities   | (166,019)           | 236,267             |
| <b>Investing Activities</b>  |                     |                     |
| Interest received  | 10,961              | 20,720              |
| Acquisition of subsidiary  | -                   | (270,912)           |
| Dividend received  | 141                 | -                   |
| Investment in jointly controlled entities - unincorporated   | (3,696)             | 30,564              |
| Investment in jointly controlled entity  | -                   | (45,083)            |
| Development cost on land held for development  | (1,350)             | (2,291)             |
| Purchase of property, plant and equipment  | (21,116)            | (29,093)            |
| Purchase of derivatives  | -                   | (7,468)             |
| Proceeds from settlement of derivatives  | 7,735               | 9,633               |
| Net (purchase)/proceeds from disposal of investment securities   | 55,381              | (27,330)            |
| Other receipts/(payments)  | 316                 | 24                  |
| Net cash generated from/(used in) investing activities   | 48,371              | (321,236)           |
| <b>Financing Activities</b>  |                     |                     |
| Dividend paid  | (30,225)            | (36,957)            |
| Interest paid  | (29,996)            | (28,639)            |
| Net drawdown of borrowings   | 179,172             | 204,643             |
| Purchase of derivatives  | (2,865)             | -                   |
| (Increase)/decrease in pledged deposits for financing facilities   | (23,888)            | (62)                |
| Net cash generated from financing activities   | 92,199              | 138,985             |
| Net (decrease)/increase in Cash & Cash Equivalents during the period   | (25,448)            | 54,016              |
| Cash & Cash Equivalents at beginning of year   |                     |                     |
| As previously reported   | 120,806             | 65,934              |
| Effects of exchange rate changes   | 1,023               | 856                 |
| As restated  | 121,829             | 66,790              |
| Cash & Cash Equivalents at end of current period<br>which exclude monies held in trust, and fixed deposits pledged to financial institutions | 96,380              | 120,806             |

(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 January 2014

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<br/>financial periods<br/>beginning on or<br/>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 January 2014, the Company issued 283,206,279 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 in respect of the financial year ended 31 January 2013 of 1.20% on 5,037,493,811 ordinary shares, amounting to a dividend payable of RM30,224,958 (0.60 sen per ordinary shares), was paid on 14 August 2013.

## 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   | 15,969                        | 40,284                       | 52,674              | 102,764              | 480,747          | -           | 692,438      |
| Inter-segment sales  | 70,295                        | 5,144                        | 20,333              | -                    | -                | (95,772)    | -            |
| Total revenue  | 86,264                        | 45,428                       | 73,007              | 102,764              | 480,747          | (95,772)    | 692,438      |
| <b>Other income</b>  | 4,032                         | 28,575                       | 1,255               | 2,175                | 4,638            | -           | 40,675       |
| <b>Results</b>   |                               |                              |                     |                      |                  |             |              |
| Net segment results  | 852                           | 85,254                       | 20,157              | 29,424               | 78,562           | -           | 214,249      |
| Foreign exchange (losses)/gains                                  | (29,775)                      | 8,972                        | -                   | -                    | (20,468)         | -           | (41,271)     |
| Unallocated costs  |                               |                              |                     |                      |                  |             | (15,473)     |
| Profit from operations:  |                               |                              |                     |                      |                  |             | 157,505      |
| Finance costs  | (13,614)                      | (996)                        | (8,784)             | (3,354)              | (5,889)          | -           | (32,637)     |
| Share of results of associated companies                         | -                             | -                            | (236)               | (322)                | -                | -           | (558)        |
| Share of results of jointly controlled entities                  | -                             | -                            | (5,185)             | -                    | -                | -           | (5,185)      |
| Share of results of jointly controlled entities - unincorporated | -                             | -                            | (525)               | -                    | -                | -           | (525)        |
| Profit before tax  |                               |                              |                     |                      |                  |             | 118,600      |
| Income tax expense   |                               |                              |                     |                      |                  |             | 5,303        |
| Profit for the year  |                               |                              |                     |                      |                  |             | 123,903      |
| <b>Attributable to:</b>  |                               |                              |                     |                      |                  |             |              |
| Owners of the parent   |                               |                              |                     |                      |                  |             | 123,903      |
| Non-controlling interest   |                               |                              |                     |                      |                  |             | -            |
|  |                               |                              |                     |                      |                  |             | 123,903      |



## **A10 Subsequent Events**

There were no material events subsequent to the end of the current financial quarter except for the followings:

### **Proposed Acquisition of a Piece of Vacant Commercial Land in Daerah Ulu Selangor from Europlus Corporation Sdn. Bhd. (“ECSB”)**

On 13 February 2014, the Company wholly-owned subsidiaries, TA First Credit Sdn. Bhd. (“TAFC”) and Metro Ingenious Sdn. Bhd. (“MISB”) entered into a Novation Cum Supplemental Agreement (“Novation Agreement”) with ECSB, a subsidiary of Talam Transform Berhad to vary the Sale and Purchase Agreement dated 26 May 2009 made between TAFC and ECSB (“SPA”) as follows:-

- (a) to include the excluded land area of 4.24 acres forming part of the Property which has been excluded in the SPA;
- (b) by reason of paragraph (a) above, to vary the Purchase Price of the Property under the SPA from RM44,890,322.40 to RM45,395,884.56;
- (c) to effect the novation of the rights, interest, title and obligations of TAFC under the SPA in favour of MISB; and
- (d) to effect other consequential amendments to the SPA.

The variance is not expected to have any material financial effects to the Company.

The SPA was not completed earlier due to none delivery of unencumbered title by ECSB to TAFC and the title is currently free of encumbrances. Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed within 3 months from the date of the signing of the Novation Agreement.

### **Acquisition of the Remaining Paid-Up Ordinary Share in TFC Nominees (Asing) Sdn. Bhd. (“TFC Nominees”)**

On 17 February 2014, TA First Credit Sdn. Bhd. (“TAFC”), a wholly-owned subsidiary of TA Properties Sdn. Bhd. (“TAP”), which in turn is a wholly-owned subsidiary of the Company acquired 1 ordinary share of RM1.00 each representing 50% equity interest in TFC Nominees for a total consideration of RM1.00.

TFC Nominees was incorporated on 10 August 1982 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The authorized share capital is RM25,000.00 divided into 25,000 ordinary shares of RM1.00 each. The issued and paid-up capital is RM2.00 divided into 2 ordinary shares of RM1.00 each. TFC Nominees is currently dormant.

TAFC is currently holding 50% equity interest in TFC Nominees. Pursuant to this acquisition, TFC Nominees shall be a wholly-owned subsidiary of TAFC and the Company shall be the penultimate holding company of TFC Nominees.

## **A10 Subsequent Events (Cont'd)**

### **Acquisition of the Remaining Paid-Up Ordinary Share in Binaprestij Maju Sdn. Bhd. ("Binaprestij")**

On 17 February 2014, TAP, a wholly-owned subsidiary of the Company has acquired 490,000 ordinary shares of RM1.00 each representing 49% equity interest in Binaprestij for a total consideration of RM1.00.

Binaprestij was incorporated on 28 June 1993 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The authorized share capital is RM1,000,000.00 divided into 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up capital is RM1,000,000.00 divided into 1,000,000 ordinary shares of RM1.00 each. Its principal activity is general construction and is currently inactive.

TAP is currently holding 51% equity interest in Binaprestij. Pursuant to this acquisition, TAP shall be a wholly-owned subsidiary of Binaprestij and the Company shall be the penultimate holding company of Binaprestij.

### **Acquisition of Maxfine International Limited ("Maxfine")**

On 7 March 2014, ERF Properties Sdn Bhd, a wholly-owned subsidiary of Cosmic Legion Sdn Bhd, which in turn is a wholly-owned subsidiary of TA Properties Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company acquired 1 share of HK\$1.00 each representing 100% equity in Maxfine, a foreign subsidiary, for a total consideration of HK\$1.00.

Maxfine was incorporated on 17 December 2013 in Hong Kong under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The authorized capital of Maxfine is HK\$10,000.00 divided into 10,000 shares of HK\$1.00 each. The current issued and paid-up capital of Maxfine is HK\$1.00 divided into 1 ordinary share of HK\$1.00 each fully paid-up. Its principal activity is investment holding.

## **A11 Changes in the Composition of the Group**

### **Acquisition of Harmony Sanctuary Sdn. Bhd. ("Harmony Sanctuary")**

On 5 April 2013, TA Properties Sdn. Bhd., a wholly-owned subsidiary of the Company acquired 2 ordinary shares representing 100% equity interest in 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.

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

### **Acquisition of Crystal Ingenious Sdn. Bhd. ("Crystal Ingenious")**

On 30 October 2013, the Company acquired 2 ordinary shares representing 100% equity interest in Crystal Ingenious for a total cash consideration of RM2.00.

Crystal Ingenious was incorporated on 1 February 2013 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The authorised share capital of Crystal Ingenious is RM100,000.00 divided into 100,000 shares of RM1.00 each. The current issued and paid-up capital of Crystal Ingenious is RM2.00. Crystal Ingenious is a general trading, investment and property development company.

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

### **Proposed Acquisition of the Little Bay Residential Project in Sydney, Australia**

On 27 November 2013, TA Global Development Pty Ltd ("TAGDPL") and TA Antarabangsa Development Limited ("TAADL"), both are wholly owned subsidiaries of the Company, have entered into an Acquisition Deed ("Deed") with Charter Hall Funds Management Limited ("CHFML") in its personal capacity and in its capacity as trustee of the Charter Hall Opportunity Fund No. 5 ("CHOF5"), CHOF5 Little Bay Pty Ltd ("LBPL"), Charter Hall Holdings Pty Limited ("CHH") and Charter Hall Limited ("CHL") for the following for a total cash consideration of A\$97.8 million equivalent to RM290,661,600.00 at exchange rate of RM2.972 to A\$1.00 as at 27 November 2013 ("Proposed Acquisition") :-

- (i) To acquire the sole right and interest to develop the Little Bay Cove Project which will be developed on a staged basis with the 580 developed dwellings comprising of houses, townhouses and apartments ("Project"); and
- (ii) To acquire the issued shares in LBPL (which owns the land in relation to, and is the developer of Little Bay Cove Project) and rights under a mezzanine loan agreement and ancillary documents.

Prior to this proposed acquisition, TAGDPL and TAADL had entered into a 50:50 development sponsorship arrangement with Charter Hall Group ("CHG") for the development of the Little Bay residential project in Sydney, New South Wales, Australia ("Joint Sponsorship"). Pursuant to the Joint Sponsorship, the Mezzanine Loan Agreement dated 18 October 2010 between TAADL, TAGDPL and LBPL for the provision of debt funding required by LBPL for the development of the Little Bay residential project and the amended Mezzanine Loan Agreement dated 6 June 2011.

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

### **Acquisition of Metro Ingenious Sdn. Bhd. ("Metro Ingenious")**

On 3 January 2014, the Company acquired 2 ordinary shares representing 100% equity interest in Metro Ingenious, for a total consideration of RM2.00.

Metro Ingenious was incorporated on 1 February 2013 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The authorised share capital of Metro Ingenious is RM100,000.00 divided into 100,000 shares of RM1.00 each. The current issued and paid-up capital of Metro Ingenious is RM2.00. Metro Ingenious is a general trading, investments and properties company.

As Metro Ingenious 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 January 2014 is as follow:

|  | <b>RM'000</b> |
|--|---------------|
| Approved and contracted for:           |               |
| - Renovation                           | 17,051        |
| - Jointly controlled entities          | 187,056       |
| - Acquisition of a residential project | 286,182       |
|  | <hr/>         |
|  | 490,289       |
|  | <hr/>         |

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

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

|  | <b>Current Year<br/>Quarter<br/>31 January 2014<br/>RM'000</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter<br/>31 January 2013<br/>RM'000</b> | <b>Current Year To-<br/>Date<br/>31 January 2014<br/>RM'000</b> |
|--|--|--|---|
| Revenue  | 231,778  | 184,541  | 692,438   |
| Other income   |  |  |   |
| - Interest income from financial institutions                              | 1,417  | 306  | 3,481   |
| - Interest income from a joint venture in which the Group has 65% interest | 252  | 287  | 1,098   |
| - Interest income from investment securities                               | 3,088  | 2,679  | 5,961   |
| - Other interest income  | 1,309  | 266  | 1,919   |
| - Deemed fee income from provision of financial guarantee                  | 786  | 761  | 3,098   |
| - Gain on disposal of investment securities                                | 185  | 1,522  | 11,170  |
| - Bad debts recovered  | -  | 6  | -   |
| - Realised fair value gain on derivatives                                  | 3,776  | -  | 6,512   |
| - Rental income  | 546  | 1,275  | 5,278   |
| - Others   | (14)   | 225  | 2,158   |
|  | <b>11,345</b>  | <b>7,327</b>   | <b>40,675</b>   |
| Other expenses   |  |  |   |
| - Amortisation and depreciation  | (21,121)   | (15,823)   | (79,422)  |
| - Cost of properties and building materials sold                           | (33,444)   | (26,258)   | (82,698)  |
| - Hotel operational expenses (include hotel personnel cost)                | (87,374)   | (86,882)   | (325,937)   |
| - Personnel and others   | (17,356)   | (15,893)   | (46,336)  |
| - Reversal /(allowance) for impairment loss on receivables                 | 19,337   | (202)  | 21,163  |
| - Fair value loss on revaluation of investments                            | (572)  | -  | (610)   |
| - Impairment loss on investment securities                                 | -  | -  | (829)   |
| - Unrealised fair value (loss)/gain on derivatives                         | (89)   | 250  | (873)   |
| - Impairment loss on intangible asset                                      | (18,795)   | -  | (18,795)  |
| - Foreign exchange (loss)/gain   | (24,882)   | 3,825  | (41,271)  |
|  | <b>(184,296)</b>   | <b>(140,983)</b>   | <b>(575,608)</b>  |
| Finance costs  | (8,901)  | (8,362)  | (32,637)  |
| Share of results of associated companies                                   | (51)   | (268)  | (558)   |
| Share of results of jointly controlled entity                              | (5,132)  | (47)   | (5,185)   |
| Share of results of jointly controlled entity - unincorporated             | (108)  | (830)  | (525)   |
| Profit before tax  | <b>44,635</b>  | <b>41,378</b>  | <b>118,600</b>  |

The Group reported profit before tax of RM44.6 million and revenue of RM231.8 million for the current fourth quarter compared to profit before tax of RM41.4 million and revenue of RM184.5 million respectively achieved in the previous year's corresponding quarter.

The increase in profit before tax was mainly contributed by finance and related services division due to significant loan recovery from financial receivables.

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

The performance of the Group key operating segments are analysed as follows:

### ***Investment holding***

Investment holding division reported loss before tax of RM28.2 million in the current fourth quarter as compared to loss before tax of RM8.5 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 higher foreign exchange loss on translation of Singapore Dollar denominated borrowings resulted from the weakening of Ringgit Malaysia against these currencies.

For the current year-to-date, this division reported RM58.0 million loss before tax as compared to loss before tax of RM38.8 million in the previous year. This was mainly due to higher accumulated foreign exchange loss resulting from loans payable denominated in Singapore Dollar.

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

For the current fourth quarter, finance and related services division reported profit before tax of RM67.2 million as compared to profit before tax of RM7.6 million in the previous year's corresponding quarter. The tremendous increase in profit before tax was mainly due to the significant loan recovery from financial receivables.

For the current year-to-date, this division reported profit before tax of RM93.2 million as compared to RM8.5 million profit before tax in the previous year. Other than the significant loan recovery from financial receivables, the increase was also mainly due to the absence of impairment losses on financial receivables, and gains on disposal of investment securities.

### ***Property investment***

Property investment division reported loss before tax of RM3.6 million in the current fourth quarter as compared to profit before tax of approximately RM1.1 million in the previous year's corresponding quarter.

For the current year-to-date, this division reported profit before tax of RM5.4 million as compared to RM12.7 million in the previous year.

The decrease was mainly due to higher operation cost particularly high marketing expenses incurred in the current fourth quarter from the jointly controlled entity's investment project.

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

### ***Property development***

Property development division reported profit before tax of RM12.4 million in the current fourth quarter as compared to profit before tax of RM11.9 million in the previous year's corresponding quarter.

For the current year-to-date, this division reported profit before tax of RM25.7 million as compared to RM27.7 million in the previous year.

This division contributed consistent income due to the steady progress on the ongoing development projects in Damansara Avenue, despite higher finance costs.

### ***Hotel operations***

Hotel operations division reported net operating profit of RM30.2 million in the current fourth quarter as compared to RM29.6 million in the previous year's corresponding quarter.

For the current year-to-date, this division achieved net operating profit of RM97.3 million, as compared to RM88.7 million in the preceding year.

Hotel operations had contributed sustainable revenue to the Group. However, the current year's profit before tax of the division dropped by 44% to RM52.2 million due to impairment loss on hotel purchased goodwill and foreign exchange translation losses arising from the depreciation of USD against THB.

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

The Group recorded profit before tax of RM44.6 million in the current fourth quarter as compared to profit before tax of RM24.0 million in the preceding quarter. Despite foreign exchange losses especially from Singapore Dollar denominated borrowings, the increase in profit before tax was mainly due to significant loan recovery from financial receivables in the current fourth quarter.

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

The global economy is expected to be challenging, resulting from implication of rollback of the Quantitative Easing in US and slower than expected growth in China. However, domestic's economy is expected to resilient mainly driven by sustainable domestic demand and recovery in exports following the weakening of the Malaysian Ringgit against US currency.

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. The group will continue to seek investment opportunity to maximize finance income.

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

#### *Property investment*

The Group is projected to experience a lower income contribution from overseas and local property investments for the next financial year in view of the expected upgrading works to be undertaken at some of the investment properties. We are confident that these upgrading works will generate higher returns for the Group in the future.

#### *Property development*

Despite the lower demand for higher priced properties and rising costs pressures, the Group will continue to focus on its Damansara Avenue project and will be launching some new projects in the next financial year to sustain its earnings from the property development. In the light of these challenges, the earnings from property development are expected to be lower in the next financial year.

#### *Hotel operations*

Our hospitality business spanning across Singapore, Australia and Thailand is expected to continue to generate a stable recurrent income stream for the Group. The growth and performance of our hospitality business in China and Canada in the next financial year will be driven and dependent on its country's economic growth.

We will continue to explore and evaluate opportunities to acquire new hotel properties to expand our existing hotels portfolio and to enhance the revenue contribution of our hospitality division.

Barring any unforeseen circumstances, the Group will continue to be profitable in the financial year ending 31 January 2015.

### **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               | 8,502                  | 17,183              |
| - Foreign tax                        | 578                    | 5,131               |
| Deferred tax                         | (24,902)               | (25,389)            |
| Overprovision in prior year          | (449)                  | (2,228)             |
|                                      | <u>(16,271)</u>        | <u>(5,303)</u>      |



## B5 Taxation (Cont'd)

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

|  | Current quarter<br>RM'000 | Year to date<br>RM'000 |
|--|---------------------------|------------------------|
| Profit before taxation   | <u>44,635</u>             | <u>118,600</u>         |
| Taxation at the statutory income tax rate of 25%   | 11,159                    | 29,650                 |
| 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 | 5,111                     | (24,347)               |
|  | <u><u>16,271</u></u>      | <u><u>5,303</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 January 2014 were as follows:

|                              | Secured<br>RM'000       | Unsecured<br>RM'000  |
|------------------------------|-------------------------|----------------------|
| <u>Long term borrowings</u>  |                         |                      |
| Foreign currency loans       | 263,009                 | -                    |
| Revolving credits            | 99,805                  | -                    |
| <u>Short term borrowings</u> |                         |                      |
| Foreign currency loans       | 798,693                 | -                    |
| Revolving credits            | 24,798                  | 30,000               |
|                              | <u><u>1,186,305</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<br><b>RM'000</b> |
|------------------------------|-------------|--------------------------|
| <i>Long-term borrowings</i>  |             |                          |
| C\$                          | 59,242,755  | 177,308                  |
| A\$                          | 23,250,000  | 68,034                   |
| RMB                          | 32,000,000  | 17,667                   |
|                              |             | <u>263,009</u>           |
| <i>Short-term borrowings</i> |             |                          |
| C\$                          | 28,295,893  | 84,686                   |
| S\$                          | 182,800,000 | 479,229                  |
| A\$                          | 2,500,036   | 7,316                    |
| RMB                          | 20,000,000  | 11,042                   |
| HK\$                         | 12,504,236  | 5,390                    |
| US\$                         | 67,481,880  | 225,828                  |
|                              |             | <u>813,491</u>           |

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

### Loans denominated in C\$

- (a) A 15-year term loan C\$25,742,853 will mature on 5 December 2020.
- (b) A 20-year term loan C\$36,522,889 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\$1,672,906 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\$23,600,000 of which C\$21,100,000 is secured against a hotel in Australia, and 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.

The above loans and revolving credits bear interest rates ranging from 2.7% to 4.8% per annum.

### Loan denominated in S\$

A 5-year term loan S\$182,800,000 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)**

### Loan denominated in A\$

- (a) A floating rate bill facility amounting to A\$23,250,000 which will mature on 28 February 2015. The loan is secured against a hotel in Australia.

The loan bears interest rates ranging from 4.5% to 5.1% per annum.

- (b) Short term revolving credits A\$2,500,036 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 US\$

Short-term loans amounting to US\$67,481,880 are on rollover basis. The loans are secured against certain investment securities.

The above loans bear interest rates ranging from 0.45% to 0.55% per annum.

### Loans denominated in RMB

Three term loans amounting to RMB52,000,000 are with different maturities from 20 December 2014 to 24 April 2016. These 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\$

A short-term loan amounting to HK\$12,504,236 is on rollover basis. The loan is secured against certain investment securities and bear interest rate of 0.46% per annum.

### Loans denominated in RM

Loans and revolving credits denominated in RM bear interest rates ranging from 4.32% to 4.41%, of which RM10,000,000 is secured by corporate guarantee, and RM99,805,000 is secured by a freehold land in Kuala Lumpur.

## **B8 Material Litigation**

As at 19 March 2014, there were no changes in material litigation since the last annual reporting date of 31 January 2013.

## **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) |
|---|-------------------------|------------------------------|
| Geared Equity Accumulators<br>-Less than 1 year | RM249,777,551           | (RM103,338)                  |

The Group has entered into accumulators 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<br>RM'000 | As at the end of<br>last financial year<br>RM'000 |
|---|---------------------------|---|
| Total retained profits of the Company and its subsidiary companies: |                           |   |
| - Realised  | 872,210                   | 811,932   |
| - Unrealised  | (70,169)                  | (67,011)  |
|   | <u>802,041</u>            | <u>744,921</u>                                    |
| Total share of retained profits of associated companies:            |                           |   |
| - Realised  | 2,329                     | 2,887   |
| - Unrealised  | 78                        | 78  |
|   | <u>2,407</u>              | <u>2,965</u>                                      |
| Total share of accumulated losses from jointly control entities:    |                           |   |
| - Realised  | (8,235)                   | (2,525)   |
| Less: Consolidation adjustments                                     | <u>(250,042)</u>          | <u>(292,868)</u>                                  |
| Total retained profits as per Statement of Financial Position       | <u>546,171</u>            | <u>452,493</u>                                    |

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

|   | INDIVIDUAL QUARTER                         |   | CUMULATIVE QUARTER                         |  |
|---|--|---|--|--|
|   | Current year<br>quarter<br>31 January 2014 | Preceding year<br>corresponding<br>quarter<br>31 January 2013 | Current year<br>to-date<br>31 January 2014 | Preceding year<br>corresponding<br>period<br>31 January 2013 |
| <b>Basic earnings per share</b>                               |  |   |  |  |
| Profit for the period (RM'000)<br>- attributable to owners    | 60,906                                     | 42,589  | 123,903                                    | 93,434   |
| Weighted average number of<br>ordinary shares in issue ('000) | 5,321,724                                  | 5,321,724   | 5,321,724                                  | 5,321,724  |
| Basic earnings per share (sen)                                | <u>1.14</u>                                | <u>0.80</u>   | <u>2.33</u>                                | <u>1.76</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  
26 March 2014