

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2014

	AS AT END OF CURRENT QUARTER 30/4/2014 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/1/2014 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,092,542	2,096,827
Investment properties	228,747	229,793
Land held for property development	416,721	415,872
Intangible assets	285,097	280,696
Associated companies	24,126	24,173
Joint ventures	85,004	86,157
Investment securities	37,971	37,642
Deferred tax assets	9,624	9,560
Receivables	378,093	351,091
	<u>3,557,925</u>	<u>3,531,811</u>
<b>Current assets</b>		
Property development costs	206,739	195,971
Investment securities	136,118	140,072
Inventories	47,723	47,833
Receivables	114,586	94,612
Tax recoverable	10,585	11,695
Cash and short term deposits	414,453	457,591
	<u>930,204</u>	<u>947,774</u>
<b>TOTAL ASSETS</b>	<b><u>4,488,129</u></b>	<b><u>4,479,585</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	(78,149)	(144,131)
	<u>2,582,713</u>	<u>2,516,731</u>
Non-controlling interest	-	-
Preference shares issued by subsidiaries	57,988	57,988
<b>TOTAL EQUITY</b>	<b><u>2,640,701</u></b>	<b><u>2,574,719</u></b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	229,880	230,438
Long term borrowings	284,648	362,814
Payables	-	2,148
	<u>514,528</u>	<u>595,400</u>
<b>Current liabilities</b>		
Short term borrowings	1,024,707	964,973
Payables	284,400	333,835
Income tax payable	16,170	10,555
Derivatives	7,623	103
	<u>1,332,900</u>	<u>1,309,466</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,847,428</u></b>	<b><u>1,904,866</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>4,488,129</u></b>	<b><u>4,479,585</u></b>
Net assets value per ordinary share (RM)	<u>0.48</u>	<u>0.47</u>
Net assets value per share (inclusive of ordinary shares and ICPS)	<u>0.49</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 2014)

## CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/4/2014	30/4/2013	30/4/2014	30/4/2013
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	158,203	157,896	158,203	157,896
Other income	48,303	16,613	48,303	16,613
Other expenses	(103,898)	(116,859)	(103,898)	(116,859)
<b>Profit from operations</b>	102,608	57,650	102,608	57,650
Finance costs	(8,504)	(6,273)	(8,504)	(6,273)
Share of results of associated companies	(47)	(89)	(47)	(89)
Share of results of jointly controlled entities	-	-	-	-
<b>Profit before tax</b>	94,057	51,288	94,057	51,288
Income tax expense	(12,555)	(3,942)	(12,555)	(3,942)
<b>Profit for the period</b>	81,502	47,346	81,502	47,346
Profit attributable to: Owners of the parent	81,502	47,346	81,502	47,346
	81,502	47,346	81,502	47,346
Earnings per share attributable to owners of the parent				
Basic (sen)	1.53	0.89	1.53	0.89
Fully diluted (sen)	1.53	0.89	1.53	0.89
	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
Net assets value per share (RM)	0.48		0.47	
Net assets value per share (RM) (inclusive of ordinary shares and ICPS)	0.49		0.47	

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 January 2014)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/4/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/4/2013 RM'000	CURRENT YEAR TO DATE 30/4/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/4/2013 RM'000
<b>Profit for the period</b>	81,502	47,346	81,502	47,346
<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	3,937	(37,689)	3,937	(37,689)
Foreign currency translation gain reclassified to profit or loss	(20,211)	-	(20,211)	-
Available-for-sale financial assets				
- Net fair value gain/(loss)	996	2,086	996	2,086
- Reclassification to profit or loss	-	(1,770)	-	(1,770)
Income tax relating to components of other comprehensive income	(242)	81	(242)	81
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>(15,520)</b>	<b>(37,292)</b>	<b>(15,520)</b>	<b>(37,292)</b>
<b>Total comprehensive income for the period</b>	<b>65,982</b>	<b>10,054</b>	<b>65,982</b>	<b>10,054</b>
Total comprehensive income attributable to:				
Owners of the parent	65,982	10,054	65,982	10,054
	<b>65,982</b>	<b>10,054</b>	<b>65,982</b>	<b>10,054</b>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2014)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2014**

	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 2013</b>	2,660,862	214	(926,077)	1,976	236,946	51,731	450,198	2,475,850	57,988	-	2,533,838
Total comprehensive (loss)/income for the period	-	-	-	397	(29,324)	(8,365)	47,346	10,054	-	-	10,054
<b>At 30 April 2013</b>	2,660,862	214	(926,077)	2,373	207,622	43,366	497,544	2,485,904	57,988	-	2,543,892
<b>At 1 February 2014</b>	2,660,862	214	(926,077)	2,394	174,097	71,817	533,424	2,516,731	57,988	-	2,574,719
Total comprehensive (loss)/income for the period	-	-	-	754	10,776	(27,050)	81,502	65,982	-	-	65,982
<b>At 30 April 2014</b>	2,660,862	214	(926,077)	3,148	184,873	44,767	614,926	2,582,713	57,988	-	2,640,701

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2014)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2014**

	3 months ended	
	30/4/2014 RM'000	30/4/2013 RM'000
<b>Operating Activities</b>		
Profit before tax	94,057	51,288
Adjustments for:		
Non-cash items	25,019	7,772
Non-operating items	(39,514)	(8,169)
Operating profit before changes in working capital	<u>79,562</u>	<u>50,891</u>
Net decrease/(increase) in assets	(11,372)	56,128
Net (decrease)/increase in liabilities	(66,277)	(117,133)
Cash generated from/(used in) operations	<u>1,913</u>	<u>(10,114)</u>
Interest (paid)/received	39,182	936
Taxes (paid)/refunded	(6,694)	(10,804)
Net cash generated from/(used in) operating activities	<u>34,401</u>	<u>(19,982)</u>
<b>Investing Activities</b>		
Interest received	5,125	2,173
Investment in associated company	-	(25)
Dividend received	13	-
Investment in jointly controlled entities - unincorporated	-	147
Development cost on land held for development	(850)	(67)
Purchase of property, plant and equipment	(3,373)	(7,556)
Proceed from disposal of property, plant and equipment	1,268	-
Purchase of investment properties	(943)	-
Purchase of derivatives	-	(3,775)
Proceeds from settlement of derivatives	2,235	4,323
Net (purchase)/proceeds from disposal of investment securities	(43,447)	172,786
Other (payments)/receipts	(3)	2
Net cash (used in)/generated from investing activities	<u>(39,975)</u>	<u>168,007</u>
<b>Financing Activities</b>		
Interest paid	(8,504)	(6,273)
Net drawdown of borrowings	(23,241)	(135,804)
Increase in pledged deposits for financing facilities	(41)	-
Net cash used in financing activities	<u>(31,786)</u>	<u>(129,981)</u>
Net (decrease)/increase in Cash & Cash Equivalents during the period	(37,360)	18,044
Cash & Cash Equivalents at beginning of year		
As previously reported	456,151	99,785
Effects of exchange rate changes	(5,819)	(2,517)
As restated	450,332	97,268
Cash & Cash Equivalents at end of current period which exclude monies held in trust, and fixed deposits pledged to financial institutions	<u>412,972</u>	<u>115,312</u>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 January 2014)**

# TA GLOBAL BERHAD (828855-P)

## Quarterly Report for the Period Ended 30 April 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 2014.

### 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 2014, 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>
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014
FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures (Amendments to FRS 9 and FRS 7)	Immediately

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').

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

### Malaysian Financial Reporting Standards Framework ("MFRS Framework") (Cont'd)

On 4 July 2014, the MASB has allowed Transitioning Entities to defer the adoption of the MFRS Framework to annual period on or after 1 January 2014.

On 7 August 2014, MASB has decided to extend the transitional period for another year i.e. the adoption of the MFRS Framework by all entities for annual financial period beginning on or after 1 January 2015.

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 2016. 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 2016.

## **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 30 April 2014, the Company issued 15,215,278 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	2,022	3,679	12,865	18,139	121,498	-	158,203
Inter-segment sales	3,926	1,510	4,940	-	-	(10,376)	-
Total revenue	5,948	5,189	17,805	18,139	121,498	(10,376)	158,203
<b>Other income</b>							
	248	46,286	649	558	562	-	48,303
<b>Results</b>							
Net segment results	(183)	39,540	5,262	4,390	28,072	-	77,081
Foreign exchange gains/(losses)	28,573	(3,847)	-	-	4,189	-	28,915
Unallocated costs							(3,388)
Profit from operations:							102,608
Finance costs	(3,309)	(307)	(2,031)	(1,461)	(1,396)	-	(8,504)
Share of results of associated companies	-	-	(47)	-	-	-	(47)
Profit before tax							94,057
Income tax expense							(12,555)
Profit for the year							81,502
<b>Attributable to:</b>							
Owners of the Parent							81,502
Non-controlling interest							-
							81,502



## **A10 Subsequent Events**

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

### **Dissolution of Aava Whistler Holdings Ltd**

On 15 May 2014, Aava Whistler Holdings Ltd, a wholly-owned subsidiary of the Company which was incorporated in Canada, had been dissolved.

As Aava Whistler Holdings Ltd is dormant and inactive, its dissolution will have no material financial and operational effect on the Group.

### **Completion of Payment of the Acquisition of the Little Bay Cove Residential Project (“the Project”) in Sydney, Australia and Acquisition of Foreign Subsidiary – Charter Hall Opportunity Fund No.5 (“CHOF5”) Little Bay Pty Ltd**

On 30 May 2014, pursuant to the Proposed Acquisition announced on 27 November 2013, the following events took place:

- A. Crystal Ingenious Sdn. Bhd. (“CISB”), the wholly-owned subsidiary of the Company has acquired 100% of the issued shares of CHOF5 Little Bay Pty Ltd (“LBPL”) comprising of 100 ordinary for a total consideration of A\$3.00. This takes into account all liabilities of LBPL in respect of the following:
- (i) The repayment of the principal amount of A\$77.6 million owing by LBPL to Westpac Banking Corporation (“Westpac”) under the Westpac Note Facility Deed dated 12 April 2011 (“Westpac Facility”) as amended from time to time between LBPL, Westpac, CHOF5 Little Bay Finance Pty Limited, Charter Hall Opportunity Fund No. 5 (“CHOF5”) and Charter Hall Holdings Pty Limited (“CHH”);
  - (ii) The refund of A\$7.7 million to CHOF5 being CHOF5’s voluntary prepayment to Westpac in October 2012 (“CHOF5 Voluntary Prepayment”);
  - (iii) TA Antarabangsa Development Limited (“TAADL”) Mezzanine Loan A\$72.0mil; and
  - (iv) CHOF5's existing Mezzanine Loan of A\$72.0mil granted to LBPL under the Mezzanine Loan Agreement dated 18 October 2010 between CHOF5 and LBPL for the provision of debt funding required by LBPL for the development of the Project (“CHOF5 Mezzanine Loan”).
- B. CISB has purchased the CHOF5 Mezzanine Loan from CHOF5 for a total consideration of A\$12.5mil as adjusted. CISB notes that the total consideration of A\$12.5mil is subject to adjustment depending on the final project costs established once the final subdivision is achieved.
- C. CHOF5 has novated to CISB all its rights under the CHOF5 Mezzanine Loan and a Deed of Charge dated 20 December 2010 between LBPL and CHOF5. The CHOF5 Mezzanine Loan and TAADL Mezzanine Loan structure will continue to be in place following completion of the Proposed Acquisition.
- D. CHH has novated to TAGDPL CHH's interests under the Development Management Agreement dated 18 October 2010 between TAGDPL, CHH and LBPL for the provision of services by TAGDPL and CHH to LBPL relating to the development of the Project.

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

### **Completion of Payment of the Acquisition of the Little Bay Cove Residential Project (“the Project”) in Sydney, Australia and Acquisition of Foreign Subsidiary – Charter Hall Opportunity Fund No.5 (“CHOF5”) Little Bay Pty Ltd (Cont'd)**

As completion has taken place, LBPL is now the wholly-owned subsidiary of CISB and the Group has a 100% interest in LBPL, the Property and the Project. Pursuant to the completion of the acquisition of LBPL by CISB on 30 May 2014, the name of LBPL shall be simultaneously changed to TA Little Bay Pty Limited.

LBPL (A.C.N. 125 760 483) was incorporated on 4 June 2007 as a proprietary company limited by shares in Victoria, Australia under the Corporations Act 2001. Its issued and paid-up share capital comprises 100 ordinary shares of A\$0.02 each. LBPL is the registered proprietor and beneficial owner of the Little Bay project land located at Anzac Parade, Little Bay, New South Wales (“the Property”). LBPL was incorporated to hold and develop the Property and its activities relates solely to the Property.

The Group has also obtained the approval from Foreign Investment Review Board for the aforesaid acquisition.

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

### **Acquisition of Maxfine International Limited**

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. (“TAP”), which in turn is a wholly-owned subsidiary of the Company acquired 1 share of HK\$1.00 each representing 100% equity in Maxfine International Limited (“Maxfine”), a foreign subsidiary, for a total consideration of HK\$1.00. Maxfine’s principal activity is investment holding.

### **Acquisition of non-controlling interests in TFC Nominees (Asing) Sdn. Bhd.**

On 17 February 2014, TA First Credit Sdn. Bhd. (“TAFC”), a wholly-owned subsidiary of the Company acquired 1 ordinary share of RM1.00 each representing 50% equity interest in TFC Nominees (Asing) Sdn. Bhd. (“TFC Nominees”) for a total consideration of RM1.00. TFC Nominees is currently dormant. TAFC is holding 50% equity interest in TFC Nominees. Pursuant to the acquisition, TFC Nominees shall be a wholly-owned subsidiary of TAFC..

### **Acquisition of non-controlling interests in Binaprestij Maju Sdn. Bhd.**

On 17 February 2014, TAP acquired 490,000 ordinary shares of RM1.00 each representing 49% equity interest in Binaprestij Maju Sdn. Bhd. (“Binaprestij”) for a total consideration of RM1.00. Binaprestij’s principal activity is general construction and is currently inactive. Prior to acquisition, TAP is holding 51% equity interest in Binaprestij. Pursuant to the acquisition, Binaprestij shall be a wholly-owned subsidiary of TAP.

## **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 30 April 2014 is as follow:

	<b>RM'000</b>
Approved and contracted for:	
- Renovation	19,429
- Jointly controlled entities	156,545
- Acquisition of a residential project	296,803
	<u>472,777</u>

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

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

	<b>Current Year Quarter 30 April 2014 RM'000</b>	<b>Preceding Year Corresponding Quarter 30 April 2013 RM'000</b>
Revenue	158,203	157,896
Other income		
- Interest income from financial institutions	1,404	421
- Interest income from a joint venture in which the Group has 65% interest	-	272
- Interest income from investment securities	4,111	1,073
- Other interest income	38,792	87
- Deemed fee income from provision of financial guarantee	-	734
- Gain on disposal of investment securities	102	10,680
- Realised gain on settlement of derivatives	2,235	667
- Rental income	801	1,590
- Others	858	1,089
	<b>48,303</b>	<b>16,613</b>
Other expenses		
- Amortisation and depreciation	(19,018)	(19,598)
- Cost of properties and building materials sold	(13,272)	(16,382)
- Hotel operational expenses (include hotel personnel cost)	(79,182)	(81,561)
- Personnel and others	(11,006)	(9,457)
- Reversal for impairment loss on receivables	1,909	36
- Fair value loss on revaluation of investments	(4,930)	-
- Impairment loss on investment securities	-	(255)
- Unrealised fair value loss on derivatives	(7,315)	(717)
- Foreign exchange gain	28,916	11,075
	<b>(103,898)</b>	<b>(116,859)</b>
Finance costs	(8,504)	(6,273)
Share of results of associated companies	(47)	(89)
Profit before tax	<b>94,057</b>	<b>51,288</b>

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

The Group reported profit before tax of RM94.1 million and revenue of RM158.2 million for the current first quarter compared to profit before tax of RM51.3 million and revenue of RM157.9 million respectively achieved in the previous year's corresponding quarter.

The increase in profit before tax was mainly contributed by investment holding and finance and related services divisions.

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

### ***Investment holding***

Investment holding division reported profit before tax of RM22.2 million in the current first quarter as compared to profit before tax of RM6.6 million in the previous year's corresponding quarter. The increase in profit before tax as compared to previous year's corresponding quarter was mainly due to higher net foreign exchange translation gain resulted from realisation of foreign exchange upon partial settlement of Canadian Dollar denominated promissory notes.

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

For the current first quarter, finance and related services division reported profit before tax of RM35.4 million as compared to profit before tax of RM10.4 million in the previous year's corresponding quarter. The increase in profit before tax was mainly due to the significant loan recovery from financial receivables.

### ***Property investment***

Property investment division reported profit before tax of RM3.2 million in the current first quarter as compared to profit before tax of approximately RM3.6 million in the previous year's corresponding quarter. The slight decrease was mainly due to lower rental income generated from investment properties

### ***Property development***

Property development division reported profit before tax of RM2.9 million in the current first quarter as compared to profit before tax of RM2.6 million in the previous year's corresponding quarter. This division contributed consistent profit to the Group at about 3% to the Group's profit before tax. The profit was generated from the steady progress of the ongoing development projects in Damansara Avenue.

### ***Hotel operations***

Hotel operations division registered net operating profit of RM26.7million in the current year's first quarter, as compared to RM26.5million in the previous year's corresponding quarter.

Hotel operations had contributed sustainable revenue to the Group. Current year's period-to-date profit before tax of the division had increased by 10% to RM31.0million due to foreign exchange translation gain 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 RM94.1 million in the current first quarter as compared to profit before tax of RM42.8 million in the preceding quarter. Besides higher operating profit generated from hotel division, the increase in the profit before tax was mainly due to foreign exchange translation gain on partial settlement of Canadian Dollar denominated borrowings.

## **B3 Prospects for the Current 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 economy is expected to be resilient because of sustainable domestic demand and recovery in exports due to the weakening of the Malaysian Ringgit against US Dollar.

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 maximise finance income.

### ***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/ Year to date RM'000</b>
Estimated tax charge for the period:	
- Malaysian income tax	13,197
- Foreign tax	1,170
Deferred tax	(622)
Overprovision in prior year	(1,190)
	<u>12,555</u>

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

	<b>Current quarter/ Year to date RM'000</b>
Profit before taxation	<u>90,758</u>
Taxation at the statutory income tax rate of 25%	22,690
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	(10,135)
Tax expense for the financial period	<u>12,555</u>

#### **B6 Corporate Proposals**

##### **Status of Corporate Proposals**

All corporate proposals announced have been completed at the date of this quarterly report.

## B7 Group Borrowings and Debt Securities

Total Group borrowings as at 30 April 2014 were as follows:

	Secured RM'000	Unsecured RM'000
<i>Long term borrowings</i>		
Foreign currency loans	184,843	-
Revolving credit	99,805	-
<i>Short term borrowings</i>		
Foreign currency loans	815,249	-
Share of joint operation's loan	124,744	-
Revolving credit	37,714	47,000
	<u>1,262,355</u>	<u>47,000</u>

Denomination of secured foreign currency loans and revolving credits:-

	Secured RM'000
<i>Long-term borrowings</i>	
C\$ 56,391,510	168,148
RMB 32,000,000	16,694
	<u>184,843</u>
<i>Short-term borrowings</i>	
C\$ 48,221,932	143,788
S\$ 181,100,000	470,806
A\$ 23,250,000	70,559
US\$ 66,781,933	218,076
HK\$ 15,671,723	6,602
EURO 1,099,463	4,953
GBP 2,691,169	14,775
RMB 20,000,000	10,434
	<u>939,993</u>



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

Loans and revolving credits denominated in RM bear interest rates ranging from 4.33% to 4.40%, of which RM109,805,000 is secured by corporate guarantee and a freehold land in Kuala Lumpur.

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 amounting to C\$24,951,739 will mature on 5 December 2020.
- (b) A 20-year term loan amounting to C\$36,165,863 will mature on 5 June 2016.

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 amounting to C\$ 1,660,688 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 amounting to C\$6,750,000 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 bear interest rates ranging from 2.5% to 4.8% per annum.

- (e) Share of joint operation's loan amounting to C\$41,835,152 will mature on November 2014.

The loan bears interest rate ranging 3.69% to 4.08% and is secured by corporate guarantee.

### Loan denominated in S\$

A 5-year term loan amounting to S\$181,100,000 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 1.9% per annum. It is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore.

### Loan denominated in A\$

- (a) A floating rate bill facility amounting to A\$23,250,000 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 4.6% per annum.

- (b) Short term revolving credit amounting to 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.

The revolving credit bears interest rates ranging from 4.1% to 4.2% per annum.

### Loans denominated in US\$

Short-term loans amounting to US\$66,781,933 are on rollover basis. The loans are secured against certain investment securities and bears interest rate ranging from 0.48% to 0.50% per annum.

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

### Loan denominated in HK\$

Short-term loans amounting to HK\$15,671,723 are on rollover basis. The loans are secured against certain investment securities and bears interest rate of 0.44% per annum.

### Loans denominated in EURO

Short-term loans amounting to EURO 1,099,463 are on rollover basis. The loans are secured against certain investment securities and bear interests rate of 0.5% per annum.

### Loans denominated in GBP

Short-term loans amounting to GBP 2,691,169 are on rollover basis. The loans are secured against certain investment securities and bears interest rate of 0.5% 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% per annum, and are secured against a hotel building and land use rights in China.

## **B8 Material Litigation**

As at 23 June 2014, there were no changes in material litigation since the last annual reporting date of 31 January 2014.

## **B9 Dividend**

Apart from the first and final single-tier dividend of 1.5% (0.75 sen per ordinary share) in respect of the financial year ended 31 January 2014 approved by shareholders during the Annual General Meeting on 20 June 2014, there was no further dividend declared as at the date of this announcement.

## **B10 Disclosure of Derivatives**

Types of derivatives/Maturity	Contract/Notional value	Fair value asset/(liability)
Geared Equity Accumulators - Less than 1 year	RM229,818,307	(RM7,408,062)
Geared Equity Decumulators - Less than 1 year	RM27,517,923	(RM214,622)

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

## B10 Disclosure of Derivatives (Cont'd)

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 RM'000	As at the end of last financial year RM'000
Total retained profits of the Company and its subsidiary companies:		
- Realised	928,195	908,739
- Unrealised	(48,331)	(96,307)
	879,864	812,432
Total share of retained profits of associated companies:		
- Realised	1,778	1,825
- Unrealised	78	78
	1,856	1,903
Total share of accumulated losses from joint venture:		
- Realised	(5,232)	(5,232)
Less: Consolidation adjustments	(261,562)	(275,679)
Total retained profits as per Statement of Financial Position	614,926	533,424

**B13 Earnings Per Share (EPS) Attributable to the Owners of the Parent**

	<b>INDIVIDUAL QUARTER</b>	<b>CUMULATIVE QUARTER</b>
	Current quarter/ Year to date	Preceding quarter/ Year corresponding period
	<u>30 April 2014</u>	<u>30 April 2013</u>
<b>Basic earnings per share</b>		
Profit for the period (RM'000) - attributable to owners	81,502	47,346
Weighted average number of ordinary shares in issue ('000)	5,321,724	5,321,724
Basic earnings per share (sen)	<u>1.53</u>	<u>0.89</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  
30 June 2014