

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2014

	AS AT END OF CURRENT QUARTER 31/07/2014 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/01/2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,057,814	2,096,827
Investment properties	274,848	229,793
Land held for property development	419,557	415,872
Intangible assets	448,198	280,696
Associated companies	23,633	24,173
Joint ventures	82,273	86,157
Investment securities	37,294	37,642
Deferred tax assets	9,429	9,560
Receivables	191,120	351,091
	<u>3,544,166</u>	<u>3,531,811</u>
Current assets		
Property development costs	478,132	195,971
Investment securities	247,518	140,072
Inventories	47,410	47,833
Receivables	111,786	94,612
Tax recoverable	9,049	11,695
Cash and short term deposits	336,486	457,591
	<u>1,230,381</u>	<u>947,774</u>
TOTAL ASSETS	<u>4,774,547</u>	<u>4,479,585</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	2,660,862	2,660,862
Reserves	(166,477)	(144,131)
	<u>2,494,385</u>	<u>2,516,731</u>
Non-controlling interest	-	-
Preference shares issued by subsidiaries	57,988	57,988
TOTAL EQUITY	<u>2,552,373</u>	<u>2,574,719</u>
Non-current liabilities		
Deferred tax liabilities	229,586	230,438
Long term borrowings	533,400	362,814
Payables	-	2,148
	<u>762,986</u>	<u>595,400</u>
Current liabilities		
Short term borrowings	1,050,548	964,973
Payables	397,423	333,835
Income tax payable	4,839	10,555
Derivatives	6,378	103
	<u>1,459,188</u>	<u>1,309,466</u>
TOTAL LIABILITIES	<u>2,222,174</u>	<u>1,904,866</u>
TOTAL EQUITY AND LIABILITIES	<u>4,774,547</u>	<u>4,479,585</u>
Net assets value per ordinary share (RM)	<u>0.47</u>	<u>0.47</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 2014)

TA GLOBAL BERHAD (828855-P)
CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 JULY 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/07/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2013 RM'000	CURRENT YEAR TO DATE 31/07/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2013 RM'000
Revenue	216,231	152,312	374,434	310,208
Other income	10,689	4,454	58,992	21,067
Other expenses	(188,965)	(149,203)	(292,863)	(266,062)
Profit from operations	37,955	7,563	140,563	65,213
Finance costs	(9,355)	(8,232)	(17,859)	(14,505)
Share of results of associated companies	(493)	(422)	(540)	(511)
Share of results of jointly controlled entities	-	(46)	-	(46)
Share of results of jointly controlled entities - unincorporation	-	(199)	-	(199)
Profit before tax	28,107	(1,336)	122,164	49,952
Income tax expense	(6,942)	(2,009)	(19,497)	(5,951)
Profit for the period	21,165	(3,345)	102,667	44,001
Profit attributable to: Owners of the parent	21,165	(3,345)	102,667	44,001
	21,165	(3,345)	102,667	44,001
Earnings per share attributable to owners of the parent				
Basic (sen)	0.40	(0.06)	1.93	0.83
Fully diluted (sen)	0.40	(0.06)	1.93	0.83
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets value per share (RM)	0.47		0.47	
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 2014)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 JULY 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/07/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2013 RM'000	CURRENT YEAR TO DATE 31/07/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2013 RM'000
Profit for the period	21,165	(3,345)	102,667	44,001
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operation	(71,134)	8,818	(67,197)	(28,871)
Foreign currency translation gain reclassified to profit or loss	-	-	(20,211)	-
Available-for-sale financial assets				
- Net fair value gain/(loss)	(98)	(544)	898	1,542
- Reclassification to profit or loss	-	439	-	(1,331)
Income tax relating to components of other comprehensive income	(15)	(350)	(257)	(269)
Other comprehensive income/(loss) for the period, net of tax	(71,247)	8,363	(86,767)	(28,929)
Total comprehensive income for the period	(50,082)	5,018	15,900	15,072
Total comprehensive income attributable to:				
Owners of the parent	(50,082)	5,018	15,900	15,072
	(50,082)	5,018	15,900	15,072

(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 31 JULY 2014**

	Share capital		Capital reserve		Merger reserve		Available-for-sale reserve		Translation reserve		Exchange difference recognised in equity		Distributable		Preference Shares Issued by Subsidiaries	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
At 1 February 2013	2,660,862	214	(926,077)	1,976	236,946	51,731	452,493	2,478,145	57,988	-	2,536,133						
Total comprehensive (loss)/income for the period	-	-	-	(58)	(51,081)	22,210	44,001	15,072	-	-	15,072						
At 31 JULY 2013	2,660,862	214	(926,077)	1,918	185,865	73,941	496,494	2,493,217	57,988	-	2,551,205						
At 1 February 2014	2,660,862	214	(926,077)	2,394	174,097	71,817	533,424	2,516,731	57,988	-	2,574,719						
Dividend	-	-	-	-	-	-	(38,246)	(38,246)	-	-	(38,246)						
Total comprehensive (loss)/income for the period	-	-	-	641	(47,231)	(40,177)	102,667	15,900	-	-	15,900						
At 31 JULY 2014	2,660,862	214	(926,077)	3,035	126,866	31,640	597,845	2,494,385	57,988	-	2,552,373						

(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 31 JULY 2014**

	6 months ended	
	31/07/2014	31/07/2013
	RM'000	RM'000
Operating Activities		
Profit before tax	122,164	49,952
Adjustments for:		
Non-cash items	35,336	46,850
Non-operating items	(45,381)	(2,927)
Operating profit before changes in working capital	<u>112,118</u>	<u>93,875</u>
Net decrease/(increase) in assets	25,282	27,129
Net (decrease)/increase in liabilities	(2,598)	(50,042)
Cash generated from operations	<u>134,802</u>	<u>70,962</u>
Interest (paid)/received	40,190	1,023
Taxes (paid)/refunded	(23,545)	(8,694)
Net cash generated from operating activities	<u>151,447</u>	<u>63,291</u>
Investing Activities		
Interest received	15,792	5,304
Acquisition of subsidiary	(21,416)	-
Dividend received	309	-
Investment in jointly controlled entities - unincorporated	-	307
Development cost on land held for development	(3,685)	(840)
Purchase of property, plant and equipment	(13,918)	(7,556)
Proceeds from disposal of property, plant and equipment	1,432	-
Purchase of investment properties	(51,415)	-
Purchase of derivatives	-	13,918
Proceeds from settlement of derivatives	3,288	(11,940)
Net (purchase)/proceeds from disposal of investment securities	(184,921)	172,094
Other receipts/(payments)	(0)	52
Net cash (used in)/generated from investing activities	<u>(254,535)</u>	<u>171,339</u>
Financing Activities		
Dividend paid	(38,246)	-
Interest paid	(16,493)	(14,505)
Net drawdown of borrowings	49,906	(20,731)
(Increase)/decrease in pledged deposits for financing facilities	7	(161,347)
Net cash used in financing activities	<u>(4,826)</u>	<u>(196,583)</u>
Net (decrease)/increase in Cash & Cash Equivalents during the period	(107,914)	38,047
Cash & Cash Equivalents at beginning of year		
As previously reported	456,151	87,871
Effects of exchange rate changes	(13,184)	(591)
As restated	442,967	87,280
Cash & Cash Equivalents at end of current period which exclude monies held in trust, and fixed deposits pledged to financial institutions	<u>335,053</u>	<u>125,327</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 31 July 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.

	Effective for financial periods beginning on or after
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 31 July 2014, the Company issued 50,569,836 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 2014 of 1.50% on 5,099,442,067 ordinary shares, amounting to a dividend payable of RM38,245,812 (0.75 sen per ordinary shares), was paid on 25 July 2014.

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
Revenue							
External sales	3,417	5,600	27,013	114,732	223,672	-	374,434
Inter-segment sales	5,767	4,127	9,893	-	-	(19,787)	-
Total revenue	9,184	9,727	36,906	114,732	223,672	(19,787)	374,434
Other income							
	514	54,583	1,340	1,375	1,180	-	58,992
Results							
Net segment results	(110)	50,455	11,325	14,910	39,301	-	115,881
Foreign exchange gains/(losses)	30,163	(4,745)	-	-	6,465	-	31,883
Unallocated costs							(7,201)
Profit from operations:							140,563
Finance costs	(7,754)	(118)	(4,029)	(3,046)	(2,912)	-	(17,859)
Share of results of associated companies	-	-	(90)	(450)	-	-	(540)
Profit before tax							122,164
Income tax expense							(19,497)
Profit for the year							102,667
Attributable to:							
Owners of the Parent							102,667
Non-controlling interest							-
							102,667

A10 Subsequent Events

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

(1) Proposed acquisition of the Trump International Hotel, 1151 West Georgia, Vancouver, B.C. by Maxfine International Limited, A Wholly-Owned Subsidiary of the Company from West Georgia Development Limited Partnership

On 14 July 2014, the Company announced that on 11 July 2014, Maxfine International Limited, a wholly-owned subsidiary of the Company had entered into an agreement with West Georgia Development Limited Partnership to vary certain terms of the sale and purchase agreement dated 28 April 2014 (“SPA”) as follows:-

- (i) The Condition Waiver Date will be extended from 14 July 2014 to 12 September 2014;
- (ii) The Vendor and the Purchaser will cause Colliers International Inc, an independent valuer to be appointed by both the Vendor and Purchaser (“Valuer”), to prepare and deliver to the Vendor and Purchaser an updated valuation report, at least 30 days before the Completion Date and not earlier than 90 days before the Completion Date (“Updated Hotel Valuation”). The Vendor and Purchaser will share equally any costs and expenses incurred in connection with obtaining the Updated Hotel Valuation;
- (iii) If the Updated Hotel Valuation is less than C\$100.0 million (or equivalent to approximately RM299.55 million) and greater than C\$95.0 million (or equivalent to approximately RM284.57 million), the Purchase Consideration will be decreased such that the Purchase Consideration will equal to the amount of the Updated Hotel Valuation; and
- (iv) In the event the Updated Hotel Valuation is less than or equal to C\$95.0 million (or equivalent to approximately RM284.57 million), then the Purchase Consideration will be decreased such that the Purchase Consideration will equal to C\$95.0 million (or equivalent to approximately RM284.57 million).

(2) Incorporation of General Partner and Formation of Limited Partnership pursuant to the Proposed Acquisition per (1) above

Further to the approval being granted by the shareholders at the Company’s Extraordinary General Meeting held on 11 September 2014 for the Proposed Acquisition, the Company had, on 17 September 2014 announced that a General Partner has been incorporated and a Limited Partnership has been formed.

Details are as follow:-

Incorporation of General Partner – TA Hotel GP Ltd.

TA Hotel GP Ltd. (the “General Partner”) was incorporated under the Business Corporations Act on 15 September 2014 with the British Columbia Registrar of Companies under the incorporation number of BC1013525.

The principal activity of TA Hotel GP Ltd. is to carry on the business of the Partnership in relation to the Proposed Acquisition.

A10 Subsequent Events (Cont'd)

(2) Incorporation of General Partner and Formation of Limited Partnership pursuant to the Proposed Acquisition per (1) above (Cont'd)

Incorporation of General Partner – TA Hotel GP Ltd. (Cont'd)

The shareholder of TA Hotel GP Ltd. is TA Management Ltd, a subsidiary of the Company. The current issued and paid-up capital of TA Hotel GP Ltd. is C\$1.00 divided into one (1) common share of C\$1.00 each issued to TA Management Ltd.

Formation of Limited Partnership – TA Hotel Management Limited Partnership

TA Hotel GP Ltd. and TA Management Ltd (“TAML”) had on 15 September 2014 formed a Limited Partnership under the name of TA Hotel Management Limited Partnership (“TAHLP” or “Partnership”) pursuant to the laws of the Province of British Columbia and pursuant to Sections 51(2) and 51(4) of the Partnership Act of British Columbia, R.S.B.C. 1996, c.348 as amended from time to time and any re-enactment thereof (“Act”).

The following units in TAHLP have also been issued with the formation of the Partnership:-

- (a) 100 Class “A” Units to TAML at C\$1.00 per unit; and
- (b) 1 Class “B” Unit to TA Hotel GP Ltd. at C\$1.00 per unit.

A11 Changes in the Composition of the Group

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. Prior to acquisition, 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.

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.

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

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, the Company announced that:

- (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 TA Global development Pty Ltd (“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.

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.

A11 Changes in the Composition of the Group (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)

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.

The acquisition had contributed the following results to the Group:

	2014
	RM'000
Revenue	-
Loss for the period	(74)

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

	Fair value recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Development properties	330,434	330,434
Other receivables	99	99
Short term funds	11,194	11,194
	<u>341,727</u>	<u>341,727</u>
Trade and other payables	240,610	240,610
Borrowings	236,672	236,672
	<u>477,282</u>	<u>477,282</u>
Net liabilities	(135,555)	
Purchased goodwill	168,165	
Total cost of acquisition	<u>32,610</u>	

A11 Changes in the Composition of the Group (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)

The net cash flow on acquisition is as follows:

	RM'000
Purchase consideration satisfied by cash	32,610
Less: Cash and cash equivalents of subsidiaries acquired	<u>(11,194)</u>
	<u>21,416</u>

If the acquisition had occurred on 1 February 2014, the Group revenue and loss for the period from 1 February 2014 to 31 July 2014 would have been RM nil and RM73,728 respectively.

This acquisition of the assets and liabilities were accounted on a provisional basis. The purchase price allocation ("PPA") exercise, fair value adjustments to the assets and liabilities of the subsidiaries and allocation of goodwill to specific cash-generating units ("CGU") will be finalised by the mid of the next financial year as allowed by FRS3 Business Combinations (revised).

A12 Changes in Contingent Liabilities or Contingent Assets

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

A13 Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 July 2014 is as follow:

	RM'000
Approved and contracted for:	
- Renovation	17,939
- Jointly controlled entities	<u>103,951</u>
	<u>121,890</u>

Notes (in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad)

B1 Performance Analysis of the Group's Operating Segments

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

	Current Year Quarter 31 July 2014 RM'000	Preceding Year Corresponding Quarter 31 July 2013 RM'000
Revenue	216,231	152,312
Other income		
- Interest income from financial institutions	1,036	754
- Interest income from a joint venture in which the Group has 65% interest	-	285
- Interest income from investment securities	4,633	693
- Other interest income	1,604	180
- Deemed fee income from provision of financial guarantee	-	777
- Gain on disposal of investment securities	218	161
- Realised gain/(loss) on settlement of derivatives	1,053	(409)
- Rental income	805	1,556
- Gain on disposal of property, plant and equipment	-	5
- Others	1,340	452
	10,689	4,454
Other expenses		
- Amortisation and depreciation	(19,389)	(19,703)
- Cost of properties and building materials sold	(84,422)	(19,956)
- Hotel operational expenses (include hotel personnel cost)	(77,210)	(75,352)
- Personnel and others	(12,620)	(11,069)
- Reversal for impairment loss on receivables	2,754	680
- Fair value loss on revaluation of investments	(2,212)	(199)
- Impairment loss on investment securities	-	(574)
- Unrealised fair value gain/(loss) on derivatives	1,167	(129)
- Foreign exchange gain/(loss)	2,967	(22,901)
	(188,965)	(149,203)
Finance costs	(9,355)	(8,232)
Share of results of associated companies	(493)	(422)
Share of results of jointly controlled entity	-	(46)
Share of results of jointly controlled entity - unincorporated	-	(199)
Profit/(loss) before tax	28,107	(1,336)

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

The Group reported profit before tax of RM28.1 million and revenue of RM216.2 million for the current second quarter compared to loss before tax of RM1.3 million and revenue of RM152.3 million respectively achieved in the previous year's corresponding quarter.

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

Investment holding

Investment holding division reported loss before tax of RM2.9 million in the current year's second quarter, as compared to loss before tax of RM24.9 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported RM22.6 million profit before tax as compared to loss before tax of RM15.0 million in the previous year's corresponding period. The better performance was mainly due to favourable foreign exchange rate movement on the Group's loan denominated in Thai Baht and Singapore Dollar. Besides, the Group also enjoyed 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 year's second quarter, finance and related services division reported profit before tax of RM10.2 million as compared to profit before tax of RM13.0 million in the previous year's corresponding quarter. The decrease in profit before tax was mainly due to foreign exchange translation loss from Canadian Dollar denominated loan.

For the current period-to-date, this division reported RM45.6 million profit before tax as compared to loss before tax of RM23.5 million in the previous year's corresponding period. The increase in profit before tax was mainly due to the significant loan recovery from financial receivables and higher interest income from investment securities.

Property investment

Property investment division reported profit before tax of RM4.0 million in the current year's second quarter as compared to profit before tax of RM2.0 million in the previous year's corresponding quarter. This division contributed consistent profit to the Group. This slight increase was mainly due to improved rental income generated from investment properties. This also explained the increase in current period-to-date profit before tax of RM7.2 million as compared to profit before tax of RM5.6 million in the previous year's corresponding period.

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

Property development

Property development division reported profit before tax of RM8.5 million in the current year's second quarter as compared to profit before tax of RM8.4 million in the previous year's corresponding quarter.

For the current period-to-date, this division reported RM11.4 million profit before tax as compared to profit before tax of RM11.0 million in the previous year's corresponding period. The increase in profit was mainly due to the completion of phase 1 Garden Project in Canada.

Hotel operations

Hotel operations division registered net operating profit of RM9.7 million in the current year's second quarter, as compared to RM15.7 million in the previous year's corresponding quarter.

For the current period-to-date, this division achieved net operating profit of RM36.4 million, as compared to RM42.0 million in previous year's corresponding period.

Current year's period-to-date profit before tax had increased by 35% to RM42.9 million 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 RM28.1 million in the current year's second quarter as compared to profit before tax of RM94.1 million in the preceding quarter. This is due to lower income from the hotel operations division, interest income from financial receivables and foreign exchange translation gain.

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.

B3 Prospects for the Current 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 current 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 current 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:

	Current quarter RM'000	Year to date RM'000
Estimated tax charge for the period:		
- Malaysian income tax	1,667	14,864
- Foreign tax	5,374	6,544
Deferred tax	(99)	(721)
Overprovision in prior year	-	(1,190)
	<u>6,942</u>	<u>19,497</u>

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

	Current quarter RM'000	Year to date RM'000
Profit before taxation	<u>28,107</u>	<u>122,164</u>
Taxation at the statutory income tax rate of 25%	7,027	30,541
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	(85)	(11,044)
Tax expense for the financial period	<u>6,942</u>	<u>19,497</u>

B6 Corporate Proposals

Status of Corporate Proposals

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

B7 Group Borrowings and Debt Securities

Total Group borrowings as at 31 July 2014 were as follows:

	Secured RM'000	Unsecured RM'000
<i>Long term borrowings</i>		
Foreign currency loans	433,595	-
Revolving credit	99,805	-
<i>Short term borrowings</i>		
Foreign currency loans and revolving credits (including share of joint operation's loan)	992,548	-
Revolving credits	10,000	48,000
	<u>1,535,948</u>	<u>48,000</u>

Denomination of secured foreign currency loans and revolving credits:-

	Secured RM'000
<i>Long-term borrowings</i>	
C\$ 55,175,830	161,566
RMB 32,000,000	16,566
A\$ 86,000,000	255,463
	<u>433,595</u>
<i>Short-term borrowings</i>	
C\$ 52,240,809	152,972
S\$ 179,400,000	459,587
A\$ 34,195,600	101,578
US\$ 64,556,187	206,322
HK\$ 15,994,934	6,596
EUR 6,403,899	27,408
GBP 5,139,420	27,731
RMB 20,000,000	10,354
	<u>992,548</u>

B7 Group Borrowings and Debt Securities (Cont'd)

Loans and revolving credits denominated in RM bear interest rates ranging from 4.3% to 4.7% per annum, 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\$24,151,207 will mature on 5 December 2020.
- (b) A 20-year term loan amounting to C\$35,805,054 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\$ 1,648,469 will mature on 1 March 2015. The loans are secured by mortgage and general security agreements in respect of the 3 residential properties in Canada.
- (d) Short term revolving credits amounting to C\$21,600,000 of which C\$5,350,000 is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore, and C\$16,250,000 is secured against a hotel in Australia.

The above loans bear interest rates ranging from 2.5% to 4.7% per annum.

- (e) Share of joint operation's loan amounting to C\$24,211,909 will mature on November 2014.

The loan bears interest rate ranging 3.7% to 4.1% per annum and is secured by corporate guarantee.

Loan denominated in S\$

A 5-year term loan amounting to S\$179,400,000 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 average interest rate of 1.7% per annum, and 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\$10,945,000 is secured against a hotel in Australia.

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

- (c) A 2-year term loan amounting to A\$86,000,000 will mature on 30 May 2016. The loan bears average interest rate of 4.5% per annum and is secured by mortgage over certain development properties in Australia.

B7 Group Borrowings and Debt Securities (Cont'd)

Loans denominated in US\$

Short-term loans amounting to US\$64,556,187 are on rollover basis. The loans are secured against certain investment securities and bears interest rate ranging from 0.3% to 0.7% per annum.

Loan denominated in HK\$

Short-term loans amounting to HK\$15,994,934 are on rollover basis. The loans are secured against certain investment securities and bears interest rate of 0.45% per annum.

Loans denominated in EUR

Short-term loans amounting to EUR 6,403,899 are on rollover basis. The loans are secured against certain investment securities and bear interests rate of 0.3% per annum.

Loans denominated in GBP

Short-term loans amounting to GBP 5,139,420 are on rollover basis. The loans are secured against certain investment securities and bears interest rate of 0.7% 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 6.7% per annum, and are secured against a hotel building and land use rights in China.

B8 Material Litigation

As at 17 September 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 and subsequently paid on 25 July 2014 as disclosed on Note A8, 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	RM161,909,380	(RM6,196,461)
Geared Equity Decumulators - Less than 1 year	RM89,297,668	(RM181,623)

B10 Disclosure of Derivatives (Cont'd)

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.

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	879,810	908,739
- Unrealised	(86,053)	(96,307)
	<u>793,757</u>	<u>812,432</u>
Total share of retained profits of associated companies:		
- Realised	1,286	1,825
- Unrealised	78	78
	<u>1,364</u>	<u>1,903</u>
Total share of accumulated losses from joint venture:		
- Realised	(5,232)	(5,232)
Less: Consolidation adjustments	<u>(192,044)</u>	<u>(275,679)</u>
Total retained profits as per Statement of Financial Position	<u>597,845</u>	<u>533,424</u>

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year	Preceding year	Current year	Preceding year
	quarter	corresponding	to-date	corresponding
	31 July 2014	31 July 2013	31 July 2014	31 July 2013
Basic earnings per share				
Profit for the period (RM'000)				
- attributable to owners	21,164	(3,345)	102,666	44,001
Weighted average number of ordinary shares in issue ('000)	5,321,724	5,321,724	5,321,724	5,321,724
Basic earnings per share (sen)	<u>0.40</u>	<u>(0.06)</u>	<u>1.93</u>	<u>0.83</u>

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

Diluted earnings per share were not computed for the current and preceding period as the Company does not have any dilutive potential ordinary shares in issue as at the end of the reporting period.

BY ORDER OF THE BOARD
Chuah Wen Pin

Kuala Lumpur
24 September 2014