

**TA GLOBAL BERHAD (828855-P)**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2015**

	AS AT END OF CURRENT QUARTER 30/04/2015 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/01/2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,863,241	1,885,855
Investment properties	573,514	456,325
Land held for property development	729,453	729,287
Intangible assets	348,802	348,562
Investment in associates	14,578	23,646
Investment in joint ventures	102,520	82,128
Investment in securities	40,252	39,358
Deferred tax assets	7,250	7,356
Receivables	299,450	286,230
	<u>3,979,060</u>	<u>3,858,747</u>
<b>Current assets</b>		
Property development costs	174,455	231,784
Investment in securities	292,725	263,389
Inventories	52,077	92,723
Receivables	94,259	91,678
Tax recoverable	9,810	9,420
Cash and short term deposits	259,999	329,541
	<u>883,325</u>	<u>1,018,535</u>
Assets under disposal group	113,626	-
<b>TOTAL ASSETS</b>	<b><u>4,976,011</u></b>	<b><u>4,877,282</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	(24,796)	(113,540)
Shareholders' fund	<u>2,636,066</u>	<u>2,547,322</u>
Preference shares issued by subsidiaries	57,988	57,988
<b>TOTAL EQUITY</b>	<b><u>2,694,054</u></b>	<b><u>2,605,310</u></b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	274,007	273,188
Borrowings	1,007,836	1,003,723
Payables	-	2,558
	<u>1,281,843</u>	<u>1,279,469</u>
<b>Current liabilities</b>		
Borrowings	619,857	630,976
Payables	322,552	340,040
Income tax payable	12,414	15,704
Derivatives	536	5,783
	<u>955,359</u>	<u>992,503</u>
Liabilities under disposal group	44,755	-
	<u>1,000,114</u>	<u>992,503</u>
<b>TOTAL LIABILITIES</b>	<b><u>2,281,957</u></b>	<b><u>2,271,972</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>4,976,011</u></b>	<b><u>4,877,282</u></b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.50</u>	<u>0.48</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015)

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

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2015**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT YEAR QUARTER 30/04/2015 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 30/04/2014 RM'000</b>	<b>CURRENT YEAR TO DATE 30/04/2015 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30/04/2014 RM'000</b>
<b>Revenue</b>	140,655	158,203	140,655	158,203
Other income	25,595	48,303	25,595	48,303
Other expenses	(71,461)	(103,898)	(71,461)	(103,898)
<b>Profit from operations</b>	94,789	102,608	94,789	102,608
Finance costs	(11,731)	(8,504)	(11,731)	(8,504)
Share of results of associated companies, net of tax	99	(47)	99	(47)
<b>Profit before tax</b>	83,157	94,057	83,157	94,057
Income tax expense	(10,985)	(12,555)	(10,985)	(12,555)
<b>Profit for the period</b>	72,172	81,502	72,172	81,502
Profit attributable to: Equity holders of the Company	72,172	81,502	72,172	81,502
	72,172	81,502	72,172	81,502
Earnings per share attributable to equity holders of the Company				
Basic (sen)	1.36	1.53	1.36	1.53
Fully diluted (sen)	1.36	1.53	1.36	1.53

**AS AT END OF CURRENT QUARTER**

**AS AT PRECEDING FINANCIAL YEAR END**

Net assets per share attributable to ordinary equity holders of the parent (RM)

0.50

0.48

**(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015)**

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/04/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2014 RM'000	CURRENT YEAR TO DATE 30/04/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2014 RM'000
<b>Profit for the period</b>	72,172	81,502	72,172	81,502
<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	16,003	3,937	16,003	3,937
Foreign currency translation gain reclassified to profit or loss	-	(20,211)	-	(20,211)
Available-for-sale financial assets				
- Net fair value (loss)/gain	688	996	688	996
- Reclassification to profit or loss	-	-	-	-
Income tax relating to components of other comprehensive income	(119)	(242)	(119)	(242)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>16,572</b>	<b>(15,520)</b>	<b>16,572</b>	<b>(15,520)</b>
<b>Total comprehensive income for the period</b>	<b>88,744</b>	<b>65,982</b>	<b>88,744</b>	<b>65,982</b>
Total comprehensive income attributable to:				
Equity holders of the Company	88,744	65,982	88,744	65,982
	<b>88,744</b>	<b>65,982</b>	<b>88,744</b>	<b>65,982</b>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2015**

	Attributable to owners of the parent										
	Non-distributable					Distributable					
	Share capital	Capital reserve	Merger reserve	Available-for-sale reserve	Exchange translation reserve	Exchange difference recognised in equity	Retained profits	Total	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
<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 income for the year	-	-	-	754	10,776	(27,050)	81,502	65,982	-	-	65,982
<b>At 30 April 2014</b>	<u>2,660,862</u>	<u>214</u>	<u>(926,077)</u>	<u>3,148</u>	<u>184,873</u>	<u>44,767</u>	<u>614,926</u>	<u>2,582,713</u>	<u>57,988</u>	<u>-</u>	<u>2,640,701</u>
<b>At 1 February 2015</b>	2,660,862	214	(926,077)	3,071	103,453	63,564	642,235	2,547,322	57,988	-	2,605,310
Total comprehensive income for the year	-	-	-	569	62,545	(46,542)	72,172	88,744	-	-	88,744
<b>At 30 April 2015</b>	<u>2,660,862</u>	<u>214</u>	<u>(926,077)</u>	<u>3,640</u>	<u>165,998</u>	<u>17,022</u>	<u>714,407</u>	<u>2,636,066</u>	<u>57,988</u>	<u>-</u>	<u>2,694,054</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015)

## TA GLOBAL BERHAD (828855-P)

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2015

	3 months ended	
	30/04/2015 RM'000	30/04/2014 RM'000
<b>Operating Activities</b>		
Profit before tax	83,157	94,057
Adjustments for:		
Non-cash items	(24,525)	25,019
Non-operating items	(21,357)	(39,514)
Operating profit before changes in working capital	37,274	79,562
Net increase in assets	(3,789)	(11,372)
Net increase/(decrease) in liabilities	52,650	(66,277)
Cash generated from operations	86,135	1,913
Interest (paid)/received	16,481	39,182
Taxes (paid)/refunded	(13,859)	(6,694)
Net cash generated from operating activities	88,757	34,401
<b>Investing Activities</b>		
Interest received	5,817	5,125
Dividend received	469	13
Investment in joint ventures	(17,510)	-
Development cost on land held for development	-	(850)
Purchase of property, plant and equipment	(4,771)	(3,373)
Proceeds from disposal of property, plant and equipment	2	1,268
Proceeds from disposal of an associated company	17,175	-
Purchase of investment properties	(113,147)	(943)
Proceeds from settlement of derivatives	51	2,235
Net (purchase)/proceeds from disposal of investment securities	(58,709)	(43,447)
Other receipts/(payments)	-	(3)
Net cash (used in)/generated from investing activities	(170,624)	(39,975)
<b>Financing Activities</b>		
Dividend paid to minority interest	-	-
Interest paid	(11,731)	(8,504)
Net drawdown of borrowings	28,618	(23,241)
(Increase)/decrease in pledged deposits for financing facilities	(116)	(41)
Net cash generated from financing activities	16,771	(31,786)
Net (decrease)/increase in Cash & Cash Equivalents during the period	(65,097)	(37,360)
Cash & Cash Equivalents at beginning of year		
As previously reported	327,799	456,151
Effects of exchange rate changes	(3,970)	(5,819)
As restated	323,829	450,332
Cash & Cash Equivalents at end of current period which exclude monies held in trust, and fixed deposits pledged to financial institutions	258,733	412,972

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015)

# TA GLOBAL BERHAD (828855-P)

## Quarterly Report for the Financial Period Ended 30 April 2015

### NOTES TO THE QUARTERLY REPORT

#### 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 2015.

#### 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 2015, 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 119 Defined Benefit Plans: <i>Employee Contributions</i>	1 July 2014
Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014
Annual Improvements to FRSs 2012-2014 Cycle	1 July 2014

The adoption of the above amendments/improvements to existing standards 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") in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on 1 January 2012.

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').

On 4 July 2012, the MASB has allowed Transitioning Entities to defer the adoption of the MFRS Framework to annual period on or after 1 January 2014.

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

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

On 7 August 2013, 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.

On 2 September 2014, MASB has decided to extend the transitional period for another two year i.e. the adoption of the MFRS Framework by all entities for annual financial period beginning on or after 1 January 2017. The extension was given due to the delay of the issuance of the new Revenue Standard. The Group as a transitioning entity, will have to adopt the MFRS Framework for annual period beginning on or after 1 January 2018.

## **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.

## **A8 Dividends Paid**

No dividend was paid during the current financial quarter.

## A9 Segmental Information

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

	Investment holding and Others	Finance and related services	Property investment	Property development	Hotel operations	Elimination	Consolidated
	RMF000	RMF000	RMF000	RMF000	RMF000	RMF000	RMF000
<b>Revenue</b>							
External sales	1,607	5,875	13,790	464	118,919	-	140,655
Inter-segment sales	3,858	8,645	5,146	-	-	(17,649)	-
Total revenue	5,465	14,520	18,936	464	118,919	(17,649)	140,655
<b>Other income</b>	7,187	16,624	320	411	1,053	-	25,595
<b>Results</b>							
Net segment results	2,682	73,640	6,675	(3,415)	25,359	-	104,941
Foreign exchange gains/(losses)	6,464	(11,244)	-	(17)	(565)	-	(5,362)
Unallocated costs							(4,790)
Profit from operations:							94,789
Finance costs	(5,721)	(338)	(2,111)	(2,836)	(725)	-	(11,731)
Share of results of associated companies	-	-	99	-	-	-	99
Profit before tax							83,157
Income tax expense							(10,985)
Profit for the year							72,172
<b>Attributable to:</b>							
Owners of the Parent							72,172
Non-controlling interest							-
							72,172

## A10 Subsequent Events

### Agreement of Purchase and Sale and Termination of Joint Venture Agreement Between TA Development One (Canada) Ltd and Townline Gardens Inc.

On 12 June 2015, the Group announced that TA Development One (Canada) Ltd (“TADOCL”), a wholly-owned subsidiary of TA Global Bhd. (“TA Global”), has entered into an Agreement of Purchase and Sale and Termination of Joint Venture Agreement with Townline Gardens Inc. (“TLG”) (“the Purchaser”) and 0864227 B.C. Ltd on 7 May 2015 to sell and dispose all of TADOCL’s right, benefit and interest in arising from the following, at the disposal consideration of CAD23,517,253.57 (equivalent to RM69,507,594.65):-



## **A10 Subsequent Events (cont'd.)**

### Agreement of Purchase and Sale and Termination of Joint Venture Agreement Between TA Development One (Canada) Ltd and Townline Gardens Inc. (cont'd.)

- (a) The Joint Venture Agreement entered into by TADOCL and TLG on 26 November 2009 to jointly undertake the rezoning, development, construction, servicing, subdividing or stratifying of the lands and premises measuring approximately 22 acres situated in the City of Richmond, Province of British Columbia, Canada and marketing and sale of the residential and commercial units at any time located on the Land ("Project").
- (b) The Project, including without limitation, TADOCL's 65% interest.

The disposal was completed as at the date of this quarterly report following the closing conditions being met and payment of the consideration by the Purchaser in accordance with the terms of the termination agreement on 2 June 2015.

As at 30 April 2015, TADOCL was classified as a disposal group held for sale.

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

### Disposal of Oaxis Sdn. Bhd.

On 31 March 2015, TA Properties Sdn. Bhd., a wholly-owned subsidiary of the Company disposed of its entire 25% equity interest in Oaxis Sdn. Bhd., an associated company of the Group for a total consideration of RM17,174,922.

The disposal has resulted in a gain on disposal to the Group of RM6,723,286.

## **A12 Changes in Contingent Liabilities or Contingent Assets**

During the last financial year, the Phuket Revenue Office raised a withholding tax claim ("WHT Claim") in respect of a Group subsidiary, Siam Resorts Co., Ltd ("SRC"), in respect of waived interest for loans extended by the predecessor owner of the Movenpick Resort, Kingdom Hotel Investments ("KHI").

On 1 June 2015, the Group announced that Crystal Caliber Sdn. Bhd. ("CCSB"), the holding company of SRC has issued a request for arbitration to commence arbitration proceedings against KHI, on the dispute arising from breaches by KHI of the Sale and Purchase Agreement dated 25 April 2012 between CCSB and KHI ("SPA").

The request for arbitration is submitted by CCSB in accordance with Article 1 of the Arbitration Rules of the London Court of International Arbitration ("LCIA Rules"). CCSB's claim under the LCIA Rules arises from the tax covenant as set out in the Schedule 8 of the SPA whereby KHI agreed and covenanted to pay CCSB any tax liability and cost before 31 May 2012.

The estimated amount of WHT Claim in the request for arbitration comprised of:

- (i) Siam Recovery Holdings Company Ltd ("SRH") – amounting to THB 495,222.17; and
- (ii) Siam Resort Company Ltd ("SRC") – amounting to THB 118,850,681.35.

## A12 Changes in Contingent Liabilities or Contingent Assets (cont'd.)

In addition, CCSB also claims for interest and costs arising from and in connection with the said matter.

At current status, the Group is of the opinion that the commencement of arbitration proceedings are in its best interest to preserve CCSB's rights in the SPA.

The Group does not admit liability on the WHT Claim and as a result, no provision has been recognised. This will be reassessed on ongoing basis.

There were no other contingent liabilities or contingent assets except as disclosed above and material litigation as disclosed in Note B8.

## A13 Commitments

The amount of capital commitments not provided for in the interim financial statements as at 30 April 2015 is as follow:

	<b>RM'000</b>
Approved and contracted for:	
- Renovation	15,211
- Development expenditures	141,896
- Acquisition of a hotel property	296,190
	<u>453,297</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 first quarter:

	<b>Current Year Quarter 30 April 2015 RM'000</b>	<b>Preceding Year Corresponding Quarter 30 April 2014 RM'000</b>
Revenue	140,655	158,203
Other income		
- Interest income from financial institutions	579	1,404
- Interest income from overdue financial receivables	10,085	38,759
- Interest income from investment securities	5,428	4,111
- Other interest income	642	33
- Gain on disposal of associate	6,723	-
- Gain on disposal of investment securities	221	102
- Realised gain on settlement of derivatives	51	2,235
- Rental income	583	801
- Others	1,283	858
	<b>25,595</b>	<b>48,303</b>
Other expenses		
- Amortisation and depreciation	(17,301)	(19,018)
- Cost of properties and building materials sold	(718)	(13,272)
- Hotel operational expenses (include hotel personnel cost)	(80,669)	(79,182)
- Personnel and others	(17,541)	(11,006)
- Acquisition-related costs	-	-
- Reversal for impairment loss on receivables	14,113	1,909
- Property, plant and equipment written off	(1,171)	-
- Fair value gain/(loss) on revaluation of investments	31,958	(4,930)
- Unrealised fair value gain/(loss) on derivatives	5,230	(7,315)
- Foreign exchange gain/(loss)	(5,362)	28,916
	<b>(71,461)</b>	<b>(103,898)</b>
Finance costs	(11,731)	(8,504)
Share of results of associated companies	99	(47)
Profit before tax	<b>83,157</b>	<b>94,057</b>

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

The Group reported profit before tax of RM83.2 million and revenue of RM140.7 million for the current first quarter compared to profit before tax of RM94.1 million and revenue of RM158.2 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 RM1.3 million in the current first quarter, as compared to profit before tax of RM22.2 million in the previous year's corresponding quarter. Despite gain recognised on disposal of an associate company, the significant decrease was mainly due to the absence of realised foreign exchange gain upon partial settlement of Canadian Dollar denominated promissory notes in the previous year's corresponding quarter.

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

For the current first quarter, finance and related services division reported profit before tax of RM62.1 million as compared to profit before tax of RM35.4 million in the previous year's corresponding quarter. The increase in profit before tax was mainly due to higher fair value gain and higher interest income from investment securities.

### ***Property investment***

Property investment division reported profit before tax of RM4.7 million in the current first quarter as compared to profit before tax of RM3.2 million in the previous year's corresponding quarter. The increase was mainly due to higher rental income generated from the investment properties.

### ***Property development***

Property development division registered a loss before tax of RM6.3 million in the current first quarter, as compared to profit before tax of RM2.9 million in the previous year's corresponding quarter.

The loss before tax was mainly due to increase in finance cost and operational cost for the ongoing project in Malaysia and Australia.

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

### *Hotel operations*

Hotel operations division registered net operating profit of RM24.6 million in the current first quarter, as compared to RM26.7 million in the previous year's corresponding quarter.

The slight decrease was mainly due to lower occupancy rate of the Movenpick Resort, Phuket and Swissotel Merchant Court, Singapore which are currently under major renovation.

## **B2 Material Changes in Profit Before Tax for the Current Quarter Compared with the Preceding Quarter**

The Group recorded profit before tax of RM83.2 million in the current first quarter as compared to profit before tax of RM11.7 million in the preceding quarter.

The increase was mainly due to loan recovery from financial receivables and fair value gain on investment securities.

## **B3 Prospects for the Current Financial Year**

Although the recovery in the US economy is gaining momentum, the global economy is expected to remain subdued in view of the lower oil prices and China's slowdown in growth. Domestic economy is expected to be more challenging due to slower export growth and anticipated moderate private consumption following the implementation of goods and services tax ("GST") on 1<sup>st</sup> April 2015.

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 income.

### *Property investment*

The Group is projected to experience a lower income contribution from overseas and local property investments for the current financial year in the light of expected upgrading works to be undertaken at some of our investment properties. On completion of these upgrading works, the Group is confident that the upgraded investment properties will generate higher return in the future.

### **B3 Prospects for the Current Financial Year (Cont'd)**

#### *Property development*

Due to challenging economic outlook, stringent mortgage approval, cooling measures introduced by the Government and the wait-and see approach adopted by property investors upon the implementation of GST, we anticipate our property sales in Malaysia to soften and lower property sales are expected from our existing property stocks for this financial year. As the Australian property market is experiencing strong residential sales, the Group will continue to focus on its Little Bay Cove project and hope to roll out new launches from this project for the financial year. We are confident that our sales from these new launches in Australia will be resilient. In addition, the Group will also be developing its land within the vicinity of Kuala Lumpur City Center and going forward, we hope to see some significant sales contribution from this project.

#### *Hotel operations*

The Group's hospitality businesses located in Singapore, Australia, Canada, China and Thailand will continue to generate stable recurrent income stream for the Group. Improved result is expected from our hotel in Thailand which was affected by political unrest, refurbishment and upgrading works during financial year ended 2015. Lower income contribution is expected from our hotel properties located in Sydney and Singapore due to upcoming major refurbishment works to be undertaken in this financial year.

As the Group continuously seeks to grow, the Group will continue to explore and evaluate opportunities to acquire new hotel to expand existing hotels portfolio and to enhance revenue contribution from our hospitality business.

Barring any unforeseen circumstances, the Group will continue to be profitable in the financial year ending 31 January 2016.

### **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	7,230
- Foreign tax	2,831
Deferred tax	924
	<u>10,985</u>

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

	<b>Current Quarter/ Year-to-date RM'000</b>
Profit before taxation	<u>83,157</u>
Taxation at the statutory income tax rate of 25%	20,789
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	(9,804)
Tax expense for the financial period	<u>10,985</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 2015 were as follows:

	Secured RM'000	Unsecured RM'000
<i>Long term borrowings</i>		
Foreign currency loans	907,836	-
Revolving credit	100,000	-
<i>Short term borrowings</i>		
Foreign currency loans and revolving credits (including share of joint operation's loan)	526,357	-
Revolving credits	10,000	83,500
	<u>1,544,193</u>	<u>83,500</u>

Denomination of secured foreign currency loans and revolving credits:-

	Secured RM'000
<i>Long-term borrowings</i>	
C\$ 53,048,380	157,124
S\$ 167,700,000	451,733
RMB 16,000,000	9,187
A\$ 102,479,712	289,792
	<u>907,836</u>
<i>Short-term borrowings</i>	
C\$ 47,810,394	141,610
S\$ 8,000,000	21,550
A\$ 20,051,600	56,702
US\$ 17,230,772	61,367
HK\$ 5,420,361	2,490
EUR 44,853,382	179,059
GBP 9,775,670	54,392
RMB 16,000,000	9,187
	<u>526,357</u>

Loans and revolving credits denominated in RM bear interest rates ranging from 4.1% to 4.7% per annum, of which RM110,000,000 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:-



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

### Loans denominated in C\$

- (a) A 15-year term loan amounting to C\$21,691,977 will mature on 5 December 2020.
- (b) A 20-year term loan amounting to C\$34,699,533 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\$ 1,637,264 are with different maturities from 1 March 2020 to 1 April 2020. These loans are bears interest rate ranging from 2.64% to 2.69% per annum.

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\$42,830,000 of which C\$2,080,000 is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore, and C\$40,750,000 is secured against a hotel in Australia.

The revolving credits bear average interest rate of 2.5% per annum.

### Loan denominated in S\$

A 4-year term loan amounting to S\$175,700,000 will mature on 30 November 2018. 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\$13,850,000 will mature on 28 February 2018. The loan is secured against a hotel in Australia and bears an average interest rate of 3.43% per annum.
- (b) Short term revolving credit amounting to A\$20,051,600 is secured against a hotel in Australia and bears an average interest rate of 4.2% per annum.
- (c) A 2-year term loan amounting to A\$88,629,712 will mature on 30 May 2016. The loan bears average interest rate ranging from 3.79% to 4.15% per annum and is secured by mortgage over certain development properties in Australia.

### Loans denominated in US\$

Short-term loans amounting to US\$17,230,772 are on rollover basis. The loans are secured against certain investment securities and bears interest rate ranging from 0.4% to 0.8% per annum.

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

### Loan denominated in HK\$

Short-term loans amounting to HK\$5,420,361 are on rollover basis. The loans are secured against certain investment securities and bears interest rate of 0.5% per annum.

### Loans denominated in EUR

Short-term loans amounting to EUR44,853,382 are on rollover basis. The loans are secured against certain investment securities and bear interests rate of 0.35% per annum.

### Loans denominated in GBP

Short-term loans amounting to GBP9,775,670 are on rollover basis. The loans are secured against certain investment securities and bears interest rate of 0.75% per annum.

### Loans denominated in RMB

Two term loans amounting to RMB32,000,000 are with different maturities from 20 December 2015 to 24 April 2016. These loans are subject to average interest rate of 6.3% per annum, and are secured against a hotel building and land use rights in China.

## B8 Material Litigation

As at 18 June 2015, there were no changes in material litigation since the last annual reporting date of 31 January 2015,

## B9 Dividend

On 29 May 2015, based on the recommendation of the Board of Director, a final single-tier dividend of 2% (1 sen per ordinary share) in respect of the financial year ended 31 January 2015 was proposed and the proposed final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

No further dividend is proposed as at the date of this announcement other than as stated above.

## B10 Disclosure of Derivatives

Types of derivatives/Maturity	Contract/Notional value	Fair value asset/(liability)
Geared Equity Accumulators - Less than 1 year	RM136,823,424	(RM77,771)
Geared Equity Decumulators - Less than 1 year	RM30,899,320	(RM3,941,018)
Foreign Currency Forwards - Less than 1 year	RM92,147,603	RM3,483,121

## B10 Disclosure of Derivatives (Cont'd)

The Group has entered into accumulators, decumulators and forwards 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 are 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	1,225,394	1,146,892
- Unrealised	(96,990)	(107,260)
	<hr/> 1,128,404	<hr/> 1,039,632
Total share of retained profits of associated companies:		
- Realised	<hr/> 2,981	<hr/> 1,297
Total share of accumulated losses from joint venture:		
- Realised	(8,254)	(8,254)
Less: Consolidation adjustments	<hr/> (408,723 )	<hr/> (390,440)
Total retained profits as per Statement of Financial Position	<hr/> <hr/> 714,408	<hr/> <hr/> 642,235

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30 April 2015	Preceding year corresponding quarter 30 April 2014	Current year to-date 30 April 2015	Preceding year corresponding period 30 April 2014
<b>Basic earnings per share</b>				
Profit for the period (RM'000) - attributable to owners	72,172	81,502	72,172	81,502
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)	1.36	1.53	1.36	1.53

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  
25 June 2015