

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2015**

	AS AT END OF CURRENT QUARTER 31-JUL-2015 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31-JAN-2015 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,870,089	1,885,855
Investment properties	575,226	456,325
Land held for property development	745,014	729,287
Intangible assets	352,255	348,562
Associated companies	14,590	23,646
Joint ventures	107,453	82,128
Investment in securities	186,956	39,358
Deferred tax assets	7,076	7,356
Receivables	245,667	286,230
	<u>4,104,326</u>	<u>3,858,747</u>
<b>Current assets</b>		
Property development costs	166,815	231,784
Investment in securities	253,249	263,389
Inventories	52,134	92,723
Receivables	107,732	91,678
Tax recoverable	15,097	9,420
Cash and short term deposits	373,584	329,541
	<u>968,611</u>	<u>1,018,535</u>
<b>TOTAL ASSETS</b>	<b><u>5,072,937</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	(52,768)	(113,540)
	<u>2,608,094</u>	<u>2,547,322</u>
Preference shares issued by subsidiaries	57,988	57,988
<b>Total Equity</b>	<b><u>2,666,082</u></b>	<b><u>2,605,310</u></b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	274,317	273,188
Long term borrowings	1,006,993	1,003,723
Payables	-	2,558
	<u>1,281,310</u>	<u>1,279,469</u>
<b>Current liabilities</b>		
Short term borrowings	763,046	630,976
Payables	353,496	340,040
Income tax payable	5,899	15,704
Derivatives	3,104	5,783
	<u>1,125,545</u>	<u>992,503</u>
<b>Total liabilities</b>	<b>2,406,855</b>	<b>2,271,972</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>5,072,937</u></b>	<b><u>4,877,282</u></b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.49</u>	<u>0.48</u>

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

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 31 JULY 2015**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-JUL-2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-JUL-2014 RM'000	CURRENT YEAR TO DATE 31-JUL-2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-JUL-2014 RM'000
<b>Revenue</b>	114,323	216,231	254,978	374,434
Other income	24,415	10,689	50,010	58,992
Other expenses	(129,513)	(188,965)	(200,974)	(292,863)
<b>Profit from operations</b>	<u>9,225</u>	<u>37,955</u>	<u>104,014</u>	<u>140,563</u>
Finance costs	(13,553)	(9,355)	(25,284)	(17,859)
Share of results of associated companies, net of tax	11	(493)	110	(540)
<b>(Loss)/profit before tax</b>	<u>(4,317)</u>	<u>28,107</u>	<u>78,840</u>	<u>122,164</u>
Income tax expense	(8,249)	(6,942)	(19,234)	(19,497)
<b>(Loss)/profit for the period</b>	<u><u>(12,566)</u></u>	<u><u>21,165</u></u>	<u><u>59,606</u></u>	<u><u>102,667</u></u>
(Loss)/profit attributable to: Equity holders of the Company	<u>(12,566)</u>	<u>21,165</u>	<u>59,606</u>	<u>102,667</u>
 (Loss)/earnings per share attributable to equity holders of the Company				
Basic (sen)	(0.24)	0.40	1.12	1.93
Fully diluted (sen)	(0.24)	0.40	1.12	1.93

Note: 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 SECOND QUARTER ENDED 31 JULY 2015**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-JUL-2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-JUL-2014 RM'000	CURRENT YEAR TO DATE 31-JUL-2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-JUL-2014 RM'000
(Loss)/profit for the period	(12,566)	21,165	59,606	102,667
<b>Other comprehensive (loss)/income:</b>				
<b>Items that will be reclassified subsequently to profit or loss:</b>				
Foreign currency translation differences for foreign operations	(12,880)	(71,134)	3,123	(67,197)
Foreign currency translation loss reclassified to profit or loss	(1,003)	-	(1,003)	(20,211)
Available-for-sale financial assets				
- Net fair value (loss)/gain	(1,417)	(98)	(729)	898
Income tax relating to components of other comprehensive income	(106)	(15)	(225)	(257)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(15,406)</b>	<b>(71,247)</b>	<b>1,166</b>	<b>(86,767)</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(27,972)</b>	<b>(50,082)</b>	<b>60,772</b>	<b>15,900</b>
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(27,972)	(50,082)	60,772	15,900

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



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2015**

(The figures have not been audited)

	Share capital		Attributable to owners of the parent		Distributable		Preference Shares Issued by Subsidiaries	Total Equity			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000					
			Share capital	Capital reserve	Merger reserve	Available-for-sale reserve	Exchange translation reserve	Exchange difference recognised in equity	Retained profits	Total	
	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	
Dividend	-	-	-	-	-	-	(38,246)	(38,246)	-	(38,246)	
Total comprehensive income/(loss) for the period	-	-	-	641	(47,231)	(40,177)	102,667	15,900	-	15,900	
<b>At 31 July 2014</b>	2,660,862	214	(926,077)	3,035	126,866	31,640	597,845	2,494,385	57,988	2,552,373	
<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/(loss) for the period	-	-	-	(954)	43,907	(41,787)	59,606	60,772	-	60,772	
<b>At 31 July 2015</b>	2,660,862	214	(926,077)	2,117	147,360	21,777	701,841	2,608,094	57,988	2,666,082	

Note: 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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2015**

(The figures have not been audited)

	<b>6 MONTHS ENDED</b>	
	<b>31-JUL-2015</b>	<b>31-JUL-2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating Activities</b>		
Profit before tax	78,840	122,164
Adjustments for:		
Non-cash items	3,830	35,335
Non-operating items	(21,472)	(45,381)
Operating profit before changes in working capital	<u>61,198</u>	<u>112,118</u>
Net (increase)/decrease in assets	(10,162)	25,282
Net increase/(decrease) in liabilities	<u>93,221</u>	<u>(2,598)</u>
Cash generated from operations	144,257	134,802
Interest received	10,099	40,190
Taxes paid	(33,532)	(23,545)
Net cash generated from operating activities	<u>120,824</u>	<u>151,447</u>
<b>Investing Activities</b>		
Interest received	15,924	15,792
Acquisition of subsidiary	-	(21,416)
Disposal of jointly controlled operation, net of cash disposed	69,064	-
Dividend received	4,703	309
Investment in joint ventures	(23,574)	-
Development cost on land held for development	(20,771)	(3,685)
Purchase of property, plant and equipment	(4,586)	(13,918)
Proceeds from disposal of property, plant and equipment	6	1,432
Proceeds from disposal of an associated company	17,175	-
Purchase of investment properties	(117,816)	(51,415)
Proceeds from settlement of derivatives	(174)	3,288
Net purchase from disposal of investment securities	(144,692)	(184,921)
Other payments	(1)	-
Net cash used in investing activities	<u>(204,742)</u>	<u>(254,534)</u>
<b>Financing Activities</b>		
Dividend paid	-	(38,246)
Interest paid	(25,284)	(16,493)
Net drawdown of borrowings	141,921	49,906
Decrease in pledged deposits for financing facilities	3,938	105,821
Net cash generated from financing activities	<u>120,575</u>	<u>100,988</u>
Net increase/(decrease) in cash and cash equivalents during the period	36,657	(2,099)
Cash and cash equivalents at beginning of year		
As previously reported	121,961	182,098
Effects of exchange rate changes	11,324	(13,185)
As restated	133,285	168,913
Cash and cash equivalents at end of current period	<u>169,942</u>	<u>166,814</u>
which exclude monies held in fixed deposits pledged to financial institutions		

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

Quarterly Report for the Financial Period Ended 31 July 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 operations in Australia, Singapore, Canada, China and Thailand which may be affected by seasonal or cyclical factors impacting the occupancy and room rates and the general Malaysian economy.

## **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 year’s 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 year’s financial quarter.

## A9 Segmental Information

Segmental revenue and 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 revenue	2,776	9,389	25,545	853	216,415	-	254,978
Inter-segment revenue	7,770	17,612	9,867	-	-	(35,249)	-
Total revenue	10,546	27,001	35,412	853	216,415	(35,249)	254,978
<b>Other income</b>							
	8,353	34,868	2,166	2,737	1,886	-	50,010
<b>Results</b>							
Net segment results	2,792	95,885	11,638	(3,786)	33,114	-	139,643
Foreign exchange gains/(losses)	(15,713)	4,966	-	(811)	(18,963)	-	(30,521)
Other unallocated amounts							(5,108)
Profit from operations:							104,014
Finance costs	(12,064)	(2,016)	(4,689)	(5,272)	(1,243)	-	(25,284)
Share of results of associated companies	-	-	110	-	-	-	110
Profit before tax							78,840
Income tax expense							(19,234)
Profit for the period							59,606
<b>Profit attributable to:</b>							
Equity holders of the Company							59,606

## A10 Subsequent Events

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



## A11 Changes in the Composition of the Group

### 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):-

- (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.

The disposal has resulted in a gain on disposal to the Group of RM1,181,918.

### Disposal of Oasis 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 Oasis 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

There were no contingent liabilities and contingent assets as at the end of the current year’s financial quarter.

## A13 Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 July 2015 were as follow:

	<b>RM’000</b>
Approved and contracted for:	
- Renovation	13,936
- Development expenditures	139,890
- Acquisition of a hotel property	293,380
	<u>447,206</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:

	<b>CURRENT YEAR QUARTER 31-JUL-2015 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 31-JUL-2014 RM'000</b>
Revenue	114,323	216,231
Other income		
- Interest income from financial institutions	1,066	1,036
- Interest income from financial receivables	14	-
- Interest income from investment securities	7,767	4,633
- Other interest income	442	1,604
- Gain on disposal of Jointly controlled operation	1,182	-
- Gain on disposal of investment securities	6,032	218
- Realised (loss)/gain on settlement of derivatives	(225)	1,053
- Rental income	594	805
- Dividend income from shares quoted outside Malaysia	4,234	-
- Others	3,309	1,340
	<b>24,415</b>	<b>10,689</b>
Other expenses		
- Amortisation and depreciation	(18,645)	(19,389)
- Cost of properties and building materials sold	(65)	(84,422)
- Hotel operational and personnel cost	(75,266)	(77,210)
- Personnel cost and others	(10,945)	(12,620)
- Reversal for impairment loss on receivables	48	2,754
- Fair value gain/(loss) on investments	2,718	(2,212)
- Unrealised fair value (loss)/gain on derivatives	(2,199)	1,167
- Foreign exchange (loss)/gain	(25,159)	2,967
	<b>(129,513)</b>	<b>(188,965)</b>
Finance costs	(13,553)	(9,355)
Share of results of associated companies	11	(493)
(Loss)/profit before tax	<b>(4,317)</b>	<b>28,107</b>

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

The Group reported revenue of RM114.3 million and loss before tax of RM4.3 million for the current year's second quarter as compared to revenue of RM216.2 million and profit before tax of RM28.1 million in the previous year's corresponding quarter.

For the current period-to-date, the Group reported revenue of RM255.0 million and profit before tax of RM78.8 million, as compared to revenue of RM374.4 million and profit before tax of RM122.2 million in the previous corresponding period.

Despite higher contribution from finance and related services division, the Group's results were dragged down by the losses of all other segments, as analysed below:-

### ***Investment holding and others***

Investment holding and others reported loss before tax of RM28.4 million in the current year's second quarter, as compared to loss before tax of RM2.9 million in the previous year's corresponding quarter. The increase in loss before tax as compared to previous year's corresponding quarter was mainly due to foreign exchange loss on Singapore Dollar ("SGD") and Canadian Dollar ("CAD") denominated balances resulted from the weakening of Ringgit Malaysia ("RM") against these currencies.

For the current period to-date, this division reported RM24.9 million loss before tax as compared to profit before tax of RM22.6 million in the previous year's corresponding period. The increase in loss before tax as compared to previous year's corresponding period was mainly due to foreign exchange loss on SGD and CAD denominated borrowings resulted from the weakening of RM against these currencies.

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

For the current year's second quarter, finance and related services division reported profit before tax of RM36.8 million as compared to profit before tax of RM10.2 million in the previous year's corresponding quarter. The increase in profit before tax was mainly due to gain on disposal of investment securities and higher interest income from investment securities.

For the current period to-date, this division reported profit before tax of RM98.8 million as compared to profit before tax of RM45.6 million in the previous year's corresponding period. The increase in profit before tax was due to the significant loans recovery from the financial receivable, gain on disposal of investment securities, higher fair value gain from investment securities and higher interest income from investment securities.

### ***Property investment***

Property investment division reported profit before tax of RM2.4 million in the current year's second quarter as compared to profit before tax of RM4.0 million in the previous year's corresponding quarter.

For the current period to-date, this division achieved profit before tax of RM7.0 million, as compared to RM7.2 million in the preceding year's period.

The lower contribution of this division for the current quarter and current period to-date were mainly due to lower rental income and higher finance costs

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

### ***Property development***

Property development division registered a loss before tax of RM3.6 million in the current year's second quarter, as compared to profit before tax of RM8.5 million in the previous year's corresponding quarter.

For the current period to-date, this division reported RM9.9 million loss before tax, as compared to profit before tax of RM11.4 million in the preceding year's period.

The loss for the current quarter and current period to-date were mainly due to additional costs incurred on completed projects and finance costs incurred for local and overseas projects.

### ***Hotel operations***

Hotel operations division registered net operating profit of RM7.3 million in the current year's second quarter, as compared to net operating profit of RM9.7 million in the previous year's corresponding quarter.

For the current period to-date, this division achieved net operating profit of RM31.9 million, as compared to RM36.4 million in previous year's corresponding period.

The quarterly and period-to-date decrease in net operating profits were mainly due to lower occupancy rates of the Movenpick Resort, Phuket and Swissotel Merchant Court, Singapore which are currently undergoing major refurbishment works.

Other than the above, the current year's second quarter performance was affected by foreign exchange translation losses.

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

The Group reported loss before tax of RM4.3 million in the current year's second quarter as compared to profit before tax of RM83.2 million in the preceding quarter.

Despite the higher fair value gain and higher interest income from investment securities, the Group's results was dragged down primarily by lower hotel revenue due to refurbishment works which affected occupancy, the absence of loan recovery income and higher foreign exchange translation loss resulted from translation of USD and SGD denominated balances.

## **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:

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

#### ***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 opportunities to maximise income.

#### ***Property investment***

The Group is projected to experience lower income contributions from the 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.

#### ***Property development***

Due to the challenging economic outlook, stringent mortgage approvals, 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 since the last financial year. Lower income contribution is expected from our hotel properties located in 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 hotels to expand the 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 RM'000</b>	<b>Year to-date RM'000</b>
Estimated tax charge for the period:		
- Malaysian income tax	4,439	11,669
- Foreign tax	2,136	4,967
Deferred tax	485	1,409
Withholding tax	1,189	1,189
	<u>8,249</u>	<u>19,234</u>

b) A reconciliation between the statutory and effective tax:

	<b>Current quarter RM'000</b>	<b>Year to-date RM'000</b>
(Loss)/profit before taxation	<u>(4,317)</u>	<u>78,840</u>
Taxation at the statutory income tax rate of 25%	(1,079)	19,710
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 and other taxes	9,328	(476)
Tax expense for the financial period	<u>8,249</u>	<u>19,234</u>

#### B6 Corporate Proposals

##### Status of Corporate Proposals

There are no outstanding corporate proposals as at the end of the current year's financial quarter.

## B7 Group Borrowings and Debt Securities

Total Group borrowings as at 31 July 2015 were as follows:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b><u>Long term borrowings</u></b>			
Term loans	909,993	-	909,993
Revolving credit	97,000	-	97,000
	<u>1,006,993</u>	<u>-</u>	<u>1,006,993</u>
<b><u>Short term borrowings</u></b>			
Revolving credit	186,192	90,000	276,192
Bank overdraft	728	-	728
Other short-term loans	486,126	-	486,126
	<u>673,046</u>	<u>90,000</u>	<u>763,046</u>
Total borrowings	<u>1,680,039</u>	<u>90,000</u>	<u>1,770,039</u>

The Group borrowings in RM equivalent analysed by currencies in which the borrowings are denominated are as follows:-

	<b>Long term borrowings RM'000</b>	<b>Short term borrowings RM'000</b>	<b>Total RM'000</b>
RM	97,000	95,000	192,000
CAD	147,698	150,466	298,164
RMB	9,854	9,854	19,708
SGD	460,397	25,007	485,404
AUD	292,044	56,500	348,544
USD	-	168,770	168,770
HKD	-	449	449
EUR	-	219,608	219,608
GBP	-	37,392	37,392
<b>Total borrowings</b>	<u>1,006,993</u>	<u>763,046</u>	<u>1,770,039</u>

## **B8 Material Litigation**

As disclosed during the previous financial quarter ended 30 April 2015, the Group's subsidiary, Crystal Caliber Sdn. Bhd. ("CCSB") has issued a request for arbitration to commence arbitration proceedings against Kingdom Hotel Investments ("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 claim in the request for arbitration by CCSB is in respect to the withholding tax claimed by the Phuket Revenue Office against:

- (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.

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

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.

As at 23 September 2015, there were no changes in material litigation since the last financial year ended 31 January 2015, except as disclosed above.

## **B9 Dividend**

On 29 May 2015, a final single-tier dividend of 2% (1 sen per ordinary share) in respect of the financial year ended 31 January 2015 was proposed. The proposed final dividend has been approved by the shareholders at the Annual General Meeting on 29 July 2015.

There were no further dividends proposed at the date of this report other than as stated above.

## **B10 Disclosure of Derivatives**

The Group has entered into accumulators, decumulators and forward contracts which formed part of the Group's investment portfolio with an objective to maximise the Group's profit.

These contracts are stated at fair values, using valuation techniques 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.



**B10 Disclosure of Derivatives (cont'd)**

Types of derivatives/Maturity	Contract/Notional value	Fair value asset/(liability)
Geared Equity Accumulators - Less than 1 year	RM181,402,359	(RM324,447)
Geared Equity Decumulators - Less than 1 year	RM65,823,392	(RM2,583,011)
Foreign Currency Forwards - Less than 1 year	RM79,937,541	(RM196,784)

**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 year's 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:

	<b>CURRENT QUARTER RM'000</b>	<b>AS AT THE END OF PRECEDING FINANCIAL YEAR RM'000</b>
Total retained profits of the Company and its subsidiary companies:		
- Realised	1,231,445	1,146,892
- Unrealised	(124,167)	(107,260)
	1,107,278	1,039,632
Total share of retained profits of associated companies:		
- Realised	3,071	1,297
Total share of accumulated losses from joint venture:		
- Realised	(8,254)	(8,254)
Less: Consolidation adjustments	(400,254)	(390,440)
Total retained profits as per Statement of Financial Position	701,841	642,235

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31 JULY 2015	PRECEDING YEAR CORRESPONDING QUARTER 31 JULY 2014	CURRENT YEAR TO-DATE 31 JULY 2015	PRECEDING YEAR CORRESPONDING PERIOD 31 JULY 2014
<b>Basic earnings per share</b>				
(Loss)/profit for the period (RM'000)				
- attributable to owners	(12,566)	21,165	59,606	102,667
Weighted average number of ordinary shares in issue ('000)	5,321,724	5,321,724	5,321,724	5,321,724
Basic (loss)/earnings per share (sen)	(0.24)	0.40	1.12	1.93

Basic earnings per share was calculated based on the Group's profit attributable to equity holders of the Company divided by 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 September 2015