

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2015

	AS AT END OF CURRENT QUARTER 31 OCTOBER 2015 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31 JANUARY 2015 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,017,954	1,885,855
Investment properties	593,109	456,325
Land held for property development	803,426	729,287
Intangible assets	370,190	348,562
Associated companies	14,549	23,646
Joint ventures	119,245	82,128
Investment in securities	205,400	39,358
Deferred tax assets	7,844	7,356
Receivables	278,140	286,230
	<u>4,409,857</u>	<u>3,858,747</u>
Current assets		
Property development costs	199,372	231,784
Investment in securities	159,559	263,389
Inventories	52,705	92,723
Receivables	103,112	91,678
Tax recoverable	15,797	9,420
Cash and short term deposits	531,965	329,541
	<u>1,062,510</u>	<u>1,018,535</u>
TOTAL ASSETS	<u>5,472,367</u>	<u>4,877,282</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	2,660,862	2,660,862
Reserves	81,281	(113,540)
	<u>2,742,143</u>	<u>2,547,322</u>
Preference shares issued by subsidiaries	57,988	57,988
Total Equity	<u>2,800,131</u>	<u>2,605,310</u>
Non-current liabilities		
Deferred tax liabilities	276,611	273,188
Long term borrowings	722,680	1,003,723
Payables	-	2,558
	<u>999,291</u>	<u>1,279,469</u>
Current liabilities		
Short term borrowings	1,319,861	630,976
Payables	344,668	340,040
Income tax payable	5,893	15,704
Derivatives	2,523	5,783
	<u>1,672,945</u>	<u>992,503</u>
Total liabilities	2,672,236	2,271,972
TOTAL EQUITY AND LIABILITIES	<u>5,472,367</u>	<u>4,877,282</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.52</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 THIRD QUARTER ENDED 31 OCTOBER 2015

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER 31 OCTOBER 2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 OCTOBER 2014 RM'000	CURRENT PERIOD TO-DATE 31 OCTOBER 2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 OCTOBER 2014 RM'000
Revenue	135,220	203,354	390,198	577,788
Other income	25,509	60,011	75,519	119,003
Other expenses	(176,526)	(186,298)	(377,500)	(479,161)
(Loss)/profit from operations	<u>(15,797)</u>	<u>77,067</u>	<u>88,217</u>	<u>217,630</u>
Finance costs	(15,756)	(9,688)	(41,040)	(27,547)
Share of results of associated companies, net of tax	(41)	5	69	(535)
(Loss)/profit before tax	<u>(31,594)</u>	<u>67,384</u>	<u>47,246</u>	<u>189,548</u>
Income tax expense	(15,327)	(22,607)	(34,561)	(42,104)
(Loss)/profit for the period	<u><u>(46,921)</u></u>	<u><u>44,777</u></u>	<u><u>12,685</u></u>	<u><u>147,444</u></u>
(Loss)/profit attributable to: Equity holders of the Company	<u><u>(46,921)</u></u>	<u><u>44,777</u></u>	<u><u>12,685</u></u>	<u><u>147,444</u></u>
(Loss)/earnings per share attributable to equity holders of the Company				
Basic (sen)	(0.88)	0.84	0.24	2.77
Fully diluted (sen)	(0.88)	0.84	0.24	2.77

Note: The Condensed Consolidated Income Statement 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 THIRD QUARTER ENDED 31 OCTOBER 2015
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	QUARTER	CORRESPONDING	PERIOD	CORRESPONDING
	31 OCTOBER	QUARTER	TO-DATE	PERIOD
	2015	31 OCTOBER	31 OCTOBER	31 OCTOBER
	RM'000	2014	2015	2014
		RM'000	RM'000	RM'000
(Loss)/profit for the period	(46,921)	44,777	12,685	147,444
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	234,076	(15,358)	237,199	(82,555)
Foreign currency translation loss reclassified to profit or loss	-	-	(1,003)	(20,211)
Available-for-sale financial assets				
- Net fair value (loss)/gain	(238)	406	(967)	1,304
- Income tax relating to components of other comprehensive income	350	(478)	125	(735)
Other comprehensive income/(loss) for the period, net of tax	<u>234,188</u>	<u>(15,430)</u>	<u>235,354</u>	<u>(102,197)</u>
Total comprehensive income for the period	<u>187,267</u>	<u>29,347</u>	<u>248,039</u>	<u>45,247</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>187,267</u>	<u>29,347</u>	<u>248,039</u>	<u>45,247</u>

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 OCTOBER 2015**

(The figures have not been audited)

	Attributable to owners of the Company							Retained profits RM'000	Total RM'000	Preference shares issued by subsidiaries RM'000	Total equity RM'000
	Non-distributable			Distributable							
	Share capital RM'000	Capital reserve RM'000	Merger reserve RM'000	Available-for-sale reserve RM'000	Exchange translation reserve RM'000	Exchange differences recognised in equity RM'000					
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 income/(loss) for the period	-	-	-	569	(69,321)	(33,445)	147,444	45,247	-	45,247	
At 31 Oct 2014	2,660,862	214	(926,077)	2,963	104,776	38,372	642,622	2,523,732	57,988	2,581,720	
At 1 February 2015	2,660,862	214	(926,077)	3,071	103,453	63,564	642,235	2,547,322	57,988	2,605,310	
Dividend	-	-	-	-	-	-	(53,218)	(53,218)	-	(53,218)	
Total comprehensive (loss)/income for the period	-	-	-	(842)	203,951	32,245	12,685	248,039	-	248,039	
At 31 Oct 2015	2,660,862	214	(926,077)	2,229	307,404	95,809	601,702	2,742,143	57,988	2,800,131	

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 OCTOBER 2015**

(The figures have not been audited)

	9 MONTHS ENDED	
	31 OCTOBER 2015 RM'000	31 OCTOBER 2014 RM'000
Operating Activities		
Profit before tax	47,246	189,548
Adjustments for:		
Non-cash items	134,144	61,799
Non-operating items	(26,748)	(90,033)
Operating profit before changes in working capital	<u>154,642</u>	<u>161,314</u>
Net (increase)/decrease in assets	(304,853)	1,906
Net increase/(decrease) in liabilities	<u>417,818</u>	<u>(74,511)</u>
Cash generated from operations	267,607	88,709
Interest received	10,114	87,029
Taxes paid	(47,689)	(21,400)
Net cash generated from operating activities	<u>230,032</u>	<u>154,338</u>
Investing Activities		
Interest received	25,446	21,613
Disposal of jointly controlled operation, net of cash disposed	69,064	-
Acquisition of subsidiary	-	(21,416)
Dividend received	5,269	607
Investment in joint ventures	(24,359)	-
Development cost on land held for development	(48,657)	(6,206)
Purchase of property, plant and equipment	(29,859)	(26,368)
Proceeds from disposal of property, plant and equipment	13	1,432
Proceeds from disposal of an associated company	17,175	-
Purchase of investment properties	(122,142)	(51,411)
Net proceeds from settlement of derivatives	1,814	3,607
Net purchase from disposal of investment securities	(83,534)	(146,801)
Other payments	(2)	(124)
Net cash used in investing activities	<u>(189,772)</u>	<u>(225,067)</u>
Financing Activities		
Dividend paid	(53,218)	(38,246)
Interest paid	(41,040)	(25,678)
Net drawdown of borrowings	247,610	30,576
(Increase)/decrease in pledged deposits for financing facilities	(80,750)	(22)
Net cash generated from/(used in) financing activities	<u>72,602</u>	<u>(33,370)</u>
Net increase/(decrease) in cash and cash equivalents during the period	112,861	(104,099)
Cash and cash equivalents at beginning of year		
As previously reported	121,961	456,151
Effects of exchange rate changes	8,813	(5,773)
As restated	130,774	450,378
Cash and cash equivalents at end of current period	<u>243,634</u>	<u>346,279</u>
Cash and cash equivalents comprise of:		
Cash and short term deposits	531,965	347,741
Less:		
Cash pledged for banking facilities	(288,331)	(1,462)
	<u>243,634</u>	<u>346,279</u>

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 October 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.

	Effective for financial periods beginning on or after
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 period’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

A final single-tier dividend in respect of the financial year ended 31 January 2015 of 2.00% on 5,321,723,500 ordinary shares amounted to RM53.2 million (1.00 sen per ordinary shares) was paid on 19 August 2015.

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
	RMF000	RMF000	RMF000	RMF000	RMF000	RMF000	RMF000
Revenue							
External revenue	10,612	12,327	40,501	1,258	325,500	-	390,198
Inter-segment revenue	13,527	27,289	248	-	-	(41,064)	-
Total revenue	24,139	39,616	40,749	1,258	325,500	(41,064)	390,198
Other income							
	8,972	59,335	3,048	2,221	1,943	-	75,519
Results							
Net segment results	3,863	85,730	18,882	(8,343)	45,521	-	145,653
Foreign exchange (losses)/gains	(45,348)	18,016	-	(90)	(22,780)	-	(50,202)
Other unallocated amounts							(7,234)
Profit from operations:							88,217
Finance costs	(19,557)	(2,693)	(7,628)	(8,841)	(2,321)	-	(41,040)
Share of results of associated companies	-	-	69	-	-	-	69
Profit before tax							47,246
Income tax expense							(34,561)
Profit for the period							12,685
Profit attributable to:							
Equity holders of the Company							12,685

A10 Subsequent Events

There were no material events subsequent to the end of the current period's financial quarter, except as disclosed below:

Formation of Limited Partnership – Aava Whistler Hotel Limited Partnership

On 2 November 2015, the Group announced that Aava Whistler Hotel GP Ltd and Aava Whistler Hotel Limited, subsidiaries of the Group had formed a Limited Partnership under the name of Aava Whistler Hotel Limited Partnership (the "Partnership") pursuant to the laws of the Province of British Columbia and pursuant to Section 51 of the Partnership Act of British Columbia, R.S.B.C. 1996, c.348 ("Act").

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

- 1) 100 Class "A" Units to Aava Whistler Hotel Limited at C\$1.00 per unit; and
- 2) 1 Class "B" Unit to Aava Whistler Hotel GP Ltd at C\$1.00 per unit.

A11 Changes in the Composition of the Group

Incorporation of Aava Whistler Hotel GP Ltd.

On 28 October 2015, the Group incorporated Aava Whistlers Hotel GP Ltd., under the Business Corporations Act (British Columbia). The principal activity of Aava Whistler Hotel GP Ltd. is as the general partner in the Aava Whistler Hotel Limited Partnership which shall be formed to carry out hotel operations and management activities.

The shareholder of Aava Whistler Hotel GP Ltd. is ERF Properties Sdn Bhd, a subsidiary of the Group. The current issued and paid-up capital of Aava Whistler Hotel GP Ltd. is C\$0.01 divided into one (1) common share of C\$0.01 each issued to ERF Properties Sdn Bhd.

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

On 7 May 2015, TA Development One (Canada) Ltd (“TADOCL”), a wholly-owned subsidiary of the Company, 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 to sell and dispose all of TADOCL’s right, benefit and interest in arising from the following, at the disposal consideration of CAD23.5 million (equivalent to RM69.5 million):-

- (a) The Joint Venture Agreement entered into by TADOCL and TLG on 26 November 2009 to jointly undertake the re-zoning, 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 RM1.2 million.

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 RM17.2 million.

The disposal has resulted in a gain on disposal to the Group of RM6.7 million.

A12 Changes in Contingent Liabilities or Contingent Assets

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

A13 Commitments

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

	RM'000
Approved and contracted for:	
- Renovation	14,448
- Development expenditures	137,151
- Acquisition of a hotel property	
	<u>326,820</u>
	<u>478,419</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 (loss)/profit before tax for the current and preceding year's corresponding quarter:

	CURRENT QUARTER 31 OCTOBER 2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 OCTOBER 2014 RM'000
Revenue	135,220	203,354
Other income		
- Interest income from financial institutions and other interest income	564	1,646
- Interest income from financial receivables	5	46,335
- Interest income from investment securities	8,968	9,080
- Gain on disposal of a jointly controlled operation	146	-
- Gain on disposal of investment securities	9,324	539
- Realised gain on settlement of derivatives	1,988	318
- Rental income	622	783
- Bad debts recovered	3,326	-
- Dividend income from shares quoted outside Malaysia	566	-
- Others	-	1,310
	25,509	60,011
Other expenses		
- Amortisation and depreciation	(17,706)	(18,998)
- Cost of properties and building materials sold	(3,191)	(35,028)
- Hotel operational and personnel cost	(81,269)	(79,311)
- Personnel cost and others	(17,223)	(10,569)
- Acquisition related costs	-	(27,168)
- Allowance for impairment loss on receivables	(284)	(2,139)
- Allowance for impairment loss on investment securities	(2,954)	-
- Fair value loss on investments	(35,104)	(16,217)
- Unrealised fair value gain on derivatives	887	3,672
- Foreign exchange loss	(19,682)	(540)
	(176,526)	(186,298)
Finance costs	(15,756)	(9,688)
Share of results of associated companies	(41)	5
(Loss)/profit before tax	(31,594)	67,384

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

The Group reported revenue of RM135.2 million and loss before tax of RM31.6 million for the current year's third quarter as compared to revenue of RM203.4 million and profit before tax of RM67.4 million in the previous year's corresponding quarter.

For the current period-to-date, the Group reported revenue of RM390.2 million and profit before tax of RM47.2 million, as compared to revenue of RM577.8 million and profit before tax of RM189.5 million in the previous year's corresponding period.

Despite contribution from property investment and hotel operations divisions, 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 division reported loss before tax of RM36.1 million in the current year's third quarter, as compared to loss before tax of RM32.0 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 loss before tax of RM61.0 million, as compared to loss before tax of RM9.7 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 third quarter, finance and related services division reported profit before tax of RM2.2 million as compared to profit before tax of RM75.2 million in the previous year's corresponding quarter. The huge drop in the current quarter was mainly due to loan recovery income accounted for in the previous year's corresponding quarter.

For the current period to-date, this division reported profit before tax of RM101.1 million as compared to profit before tax of RM120.8 million in the previous year's corresponding period. The decrease in profit before tax was due to higher finance cost and lower recovery income in the current quarter as well as the loan recovery income accounted for in previous year's corresponding period.

Property investment

Property investment division reported profit before tax of RM4.3 million in the current year's third quarter as compared to profit before tax of RM1.8 million in the previous year's corresponding quarter.

For the current period to-date, this division achieved profit before tax of RM11.3 million, as compared to RM9.0 million in the preceding year's corresponding period.

The increase in the quarterly and period-to-date profit before tax were mainly due to higher rental income.

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

Property development

Property development division registered a loss before tax of RM7.4 million in the current year's third quarter, as compared to profit before tax of RM12.0 million in the previous year's corresponding quarter.

For the current period to-date, this division reported RM17.3 million loss before tax, as compared to profit before tax of RM23.4 million in the preceding year's corresponding period.

The loss for the current third quarter and current period to-date were mainly due to the absence of revenue generating projects and higher finance costs.

Hotel operations

Hotel operations division registered net operating profit of RM11.3 million in the current year's third quarter, as compared to net operating profit of RM18.4 million in the previous year's corresponding quarter.

For the current period to-date, this division achieved net operating profit of RM43.2 million, as compared to RM54.8 million in previous year's corresponding period.

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

Other than the above, the current year's third quarter and period-to-date performance was affected by foreign exchange translation losses.

B2 Material Changes in (Loss)/Profit Before Tax for the Current Quarter Compared with the Preceding Quarter

The Group reported loss before tax of RM31.6 million in the current year's third quarter as compared to profit before tax of RM4.3 million in the preceding quarter.

Despite contributions from the hotel operations and lower foreign exchange translation losses, the Group's performance was dragged down primarily by higher net fair value losses 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 April 2015.

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

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 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.

Hotel operations

The Group's hospitality businesses located in Singapore, Australia, Canada, China and Thailand will continue to generate 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 located in Singapore due to upcoming major refurbishment works which are currently in progress.

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 is expected 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:

	Current quarter RM'000	Period to-date RM'000
Estimated tax charge for the period:		
- Malaysian income tax	(2,896)	8,773
- Foreign tax	16,380	21,347
Deferred tax	1,525	2,934
Withholding tax	318	1,507
	<u>15,327</u>	<u>34,561</u>

b) A reconciliation between the statutory and effective tax:

	Current quarter RM'000	Period to-date RM'000
(Loss)/profit before taxation	<u>(31,594)</u>	<u>47,246</u>
Taxation at the statutory income tax rate of 24%	(7,583)	11,339
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	22,910	23,222
Tax expense for the financial period	<u>15,327</u>	<u>34,561</u>

B6 Corporate Proposals

Status of Corporate Proposals

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

B7 Group Borrowings and Debt Securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term loans	628,680	-	628,680
Revolving credit	94,000	-	94,000
	<u>722,680</u>	<u>-</u>	<u>722,680</u>
<u>Short term borrowings</u>			
Revolving credit	331,287	90,000	421,287
Other short term loans	898,574	-	898,574
	<u>1,229,861</u>	<u>90,000</u>	<u>1,319,861</u>
Total borrowings	<u>1,952,541</u>	<u>90,000</u>	<u>2,042,541</u>

The Group borrowings in Ringgit Malaysia ("RM") equivalent analysed by currencies in which the borrowings were denominated are as follows:-

	Long term borrowings RM'000	Short term borrowings RM'000	Total RM'000
Ringgit Malaysia ("RM")	94,000	177,000	271,000
Canadian Dollar ("CAD")	59,089	270,801	329,890
Chinese Renminbi ("RMB")	10,879	10,879	21,758
Singapore Dollar ("SGD")	501,822	50,366	552,188
Australia Dollar ("AUD")	56,890	337,516	394,406
United States Dollar ("USD")	-	259,388	259,388
Hong Kong Dollar ("HKD")	-	1,691	1,691
Euro ("EUR")	-	177,443	177,443
Great Britain Pound ("GBP")	-	34,777	34,777
Total borrowings	<u>722,680</u>	<u>1,319,861</u>	<u>2,042,541</u>

B8 Material Litigation

As disclosed during the 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 was 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 Thai Baht ("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 31 December 2015, there were no changes in material litigation since the last financial year ended 31 January 2015, except as disclosed above.

B9 Dividend

No further dividend is declared as at the date of this announcement other than as stated in Note A8 on dividend paid.

B10 Disclosure of Derivatives

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	RM91,094,169	(RM1,050,769)
Geared Equity Decumulators - Less than 1 year	RM7,352,858	(RM410,879)
Foreign Currency Forwards - Less than 1 year	RM71,926,547	(RM1,060,973)

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 were as follows:

	CURRENT QUARTER RM'000	AS AT THE END OF PRECEDING FINANCIAL YEAR RM'000
Total retained profits of the Company and its subsidiary companies:		
- Realised	1,216,597	1,146,892
- Unrealised	(80,617)	(107,260)
	1,135,980	1,039,632
Total share of retained profits of associated companies:		
- Realised	3,030	1,297
Total share of accumulated losses from joint ventures:		
- Realised	(8,254)	(8,254)
Less: Consolidation adjustments	(529,054)	(390,440)
Total retained profits as per Statement of Financial Position	601,702	642,235

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER 31 OCTOBER 2015	PRECEDING YEAR CORRESPONDING QUARTER 31 OCTOBER 2014	CURRENT PERIOD TO-DATE 31 OCTOBER 2015	PRECEDING YEAR CORRESPONDING PERIOD TO-DATE 31 OCTOBER 2014
Basic earnings per share				
(Loss)/profit for the period (RM'000)				
- attributable to owners	(46,921)	44,777	12,685	147,444
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)	(0.88)	0.84	0.24	2.77

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
31 December 2015