

MULPHA INTERNATIONAL BHD^(19764-T)

PART A1 : QUARTERLY REPORT

Quarterly report on consolidated results for the first financial quarter ended 31 March 2015

The figures have not been audited

I(A) CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		CURRENT QUARTER ENDED 31.03.2015	COMPARATIVE QUARTER ENDED 31.03.2014	3 MONTHS CUMULATIVE TO 31.03.2015	3 MONTHS CUMULATIVE TO 31.03.2014
	<i>Note</i>	RM'000	RM'000	RM'000	RM'000
<i>Continuing operations</i>					
Revenue		163,829	127,354	163,829	127,354
Operating expenses		(183,132)	(146,220)	(183,132)	(146,220)
Other operating income		89,198	9,195	89,198	9,195
Profit from operations		69,895	(9,671)	69,895	(9,671)
Finance costs		(28,744)	(19,660)	(28,744)	(19,660)
Share of (loss)/profit of associates		(3,275)	9,098	(3,275)	9,098
Share of profit of jointly-controlled entities		-	2,816	-	2,816
Profit/(Loss) before tax	B5	37,876	(17,417)	37,876	(17,417)
Income tax benefit/(expense)	B6	1,514	(3,762)	1,514	(3,762)
Profit/(Loss) for the period		39,390	(21,179)	39,390	(21,179)
Attributable to:					
Owners of the Company		41,231	(20,356)	41,231	(20,356)
Non-controlling interests		(1,841)	(823)	(1,841)	(823)
Profit/(Loss) for the period		39,390	(21,179)	39,390	(21,179)
Earnings/(Loss) per share (sen):-	B11				
- Basic/Diluted		1.93	(0.95)	1.93	(0.95)

(The Condensed Consolidated Profit or Loss should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

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I(B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED 31.03.2015 RM'000	COMPARATIVE QUARTER ENDED 31.03.2014 RM'000	3 MONTHS CUMULATIVE TO 31.03.2015 RM'000	3 MONTHS CUMULATIVE TO 31.03.2014 RM'000
Profit/(Loss) for the period	39,390	(21,179)	39,390	(21,179)
Foreign currency translation differences for foreign operations	(37,093)	73,091	(37,093)	73,091
Fair value movement of available- for-sale financial assets	(14,259)	21,707	(14,259)	21,707
Share of other comprehensive income/ (expense) of associates	2,769	(643)	2,769	(643)
Reclassification to profit or loss on disposal of subsidiaries	(16,099)	-	(16,099)	-
Other comprehensive (expense)/income for the period, net of tax	(64,682)	94,155	(64,682)	94,155
Total comprehensive (expense)/ income for the period	(25,292)	72,976	(25,292)	72,976
Attributable to :				
Owners of the Company	(23,451)	73,815	(23,451)	73,815
Non-controlling interests	(1,841)	(839)	(1,841)	(839)
Total comprehensive (expense)/ income for the period	(25,292)	72,976	(25,292)	72,976

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	UNAUDITED AS AT 31.03.2015 RM'000	AS AT 31.12.2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	<i>A10</i>	999,402	1,011,017
Investment properties		379,327	21,962
Prepaid land lease payments		-	-
Investment in associates		1,212,919	1,181,490
Investment in jointly-controlled entities		2,696	2,534
Investment securities		74,011	88,447
Other investment		5,080	5,080
Goodwill		2,703	9,113
Inventories		809,316	813,842
Other non-current assets		17,544	18,469
Deferred tax assets		52,838	53,750
		3,555,836	3,205,704
Current assets			
Inventories		380,925	593,189
Trade and other receivables		283,620	260,710
Other current assets		20,306	18,360
Investment securities		5,742	6,682
Income tax recoverable		10,888	10,633
Cash and bank balances		561,146	600,796
		1,262,627	1,490,370
Asset classified as held for sale		-	-
		1,262,627	1,490,370
TOTAL ASSETS		4,818,463	4,696,074

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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	UNAUDITED AS AT 31.03.2015 RM'000	AS AT 31.12.2014 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		1,177,957	1,177,957
Share premium		579,863	579,863
Treasury shares	A6	(92,134)	(92,115)
Reserves		196,132	260,797
Retained earnings		473,925	432,711
		2,335,743	2,359,213
Non-controlling interests		-	44,346
Total equity		2,335,743	2,403,559
Non-current liabilities			
Trade and other payables		9,308	13,491
Provision for liabilities		2,232	2,179
Loans and borrowings	B8	1,443,971	794,648
		1,455,511	810,318
Current liabilities			
Trade and other payables		208,346	272,045
Other current liabilities		4,430	14,801
Provision for liabilities		20,537	20,365
Loans and borrowings	B8	780,993	1,163,079
Derivative liabilities		6,081	4,928
Income tax payable		6,822	6,979
		1,027,209	1,482,197
Total liabilities		2,482,720	2,292,515
TOTAL EQUITY AND LIABILITIES		4,818,463	4,696,074
Net assets per share (RM)		1.09	1.11

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

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III CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to Owners of the Company ----->						<----- Non-distributable -----> <Distributable>			
	Share Capital	Share Premium	Exchange Reserve	Capital Reserve	Other Reserve	Treasury Shares	Retained Earnings	Total	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
At 1 January 2015	1,177,957	579,863	124,246	117,727	18,824	(92,115)	432,711	2,359,213	44,346	2,403,559
Total comprehensive (expense)/ income for the period	-	-	(36,659)	(16,099)	(11,924)	-	41,231	(23,451)	(1,841)	(25,292)
Purchase of treasury shares	-	-	-	-	-	(19)	-	(19)	-	(19)
Disposal of shares in subsidiaries	-	-	-	-	-	-	-	-	(42,505)	(42,505)
Transfer within reserves	-	-	-	17	-	-	(17)	-	-	-
Total transactions with owners of the Company	-	-	-	17	-	(19)	(17)	(19)	(42,505)	(42,524)
At 31 March 2015	1,177,957	579,863	87,587	101,645	6,900	(92,134)	473,925	2,335,743	-	2,335,743
At 1 January 2014	1,177,957	579,863	179,982	115,386	15,707	(92,049)	308,565	2,285,411	52,130	2,337,541
Total comprehensive (expense)/ income for the period	-	-	74,436	-	19,735	-	(20,356)	73,815	(839)	72,976
Purchase of treasury shares	-	-	-	-	-	(42)	-	(42)	-	(42)
Total transactions with owners of the Company	-	-	-	-	-	(42)	-	(42)	-	(42)
At 31 March 2014	1,177,957	579,863	254,418	115,386	35,442	(92,091)	288,209	2,359,184	51,291	2,410,475

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

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IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	<-----3 MONTHS ENDED----->	
		31.03.2015	31.03.2014
		RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		37,876	(17,417)
Adjustments for non-cash items:			
Bad debts recovered		-	(2)
Depreciation of property, plant and equipment		13,081	12,680
Dividend income		(764)	(328)
Fair value loss on financial assets at fair value through profit or loss		1,248	-
Gain on disposal of investment securities and other investments		-	(108)
(Gain)/loss on disposal of property, plant and equipment		(84)	116
Gain on disposal of subsidiaries	A13	(50,385)	-
Impairment loss on inventories		10	-
Impairment loss on investment securities		53	-
Interest expense		28,744	19,660
Interest income		(1,304)	(1,407)
Net unrealised foreign exchange loss		4	175
Net allowance for doubtful debts		123	205
Property, plant and equipment written off		-	10
Provision for staff benefits		3,192	2,552
Share of (loss)/profit of associates		3,275	(9,098)
Share of profit of jointly-controlled entities		-	(2,816)
Operating profit before changes in working capital		<u>35,069</u>	<u>4,222</u>
Changes in working capital			
Inventories		(8,785)	3,072
Receivables		(27,156)	7,223
Other current assets		(1,946)	(853)
Other non-current assets		920	75
Financial assets at fair value through profit or loss		-	300
Payables		(15,596)	6,361
Other non-current liabilities		(4,183)	-
Net change in working capital		<u>(56,746)</u>	<u>16,178</u>
Cash generated from operations		(21,677)	20,400
Interest paid		(28,744)	(19,660)
Interest received		1,304	1,407
Income tax paid		(1,762)	(14,023)
Staff benefits paid		(2,877)	(3,334)
Net cash used in operating activities		<u>(53,756)</u>	<u>(15,210)</u>

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IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	<-----3 MONTHS ENDED----->	
		31.03.2015	31.03.2014
		RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Additional investment in associates		-	(115,884)
Dividend received from associates and jointly-controlled entity		-	3,609
Dividend received from other investments		764	328
Purchase of property, plant and equipment		(7,548)	(27,991)
Purchase of an investment property		(360,323)	-
Proceeds from disposal of property, plant and equipment		290	167
Proceeds from disposal of investment securities and other investments		-	2,051
Disposal of subsidiaries, net of cash and cash equivalents disposed of	A13	(9,306)	-
Refurbishment of investment properties		(26)	(182)
Net cash used in investing activities		<u>(376,149)</u>	<u>(137,902)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of finance lease liabilities		(37)	(377)
Purchase of treasury shares by the Company		(19)	(42)
Withdrawal of pledged cash and deposits		19,611	85,082
Net drawdown of borrowings		420,878	20,238
Net cash generated from financing activities		<u>440,433</u>	<u>104,901</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		10,528	(48,211)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY		106,452	134,941
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(32,453)	2,989
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	Note A	<u>84,527</u>	<u>89,719</u>
Note A			
Included in cash and cash equivalents as at 31 March are the following:			
- Cash and deposits with licensed banks		561,146	530,549
- Bank overdrafts		(4,048)	(2,858)
- Cash and deposits pledged		(472,571)	(437,972)
		<u>84,527</u>	<u>89,719</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Annual Financial Statements of the Group for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

PART A

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2014.

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2014 except for the adoption of the following:

- Amendments to MFRS 3, Business Combinatios (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 8, Operating Segments (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 119, Employee Benefits - Defined Benefit Plans: Employee Contributions
- Amendments to MFRS 124, Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 138, Intangible Assets (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 140, Investment Property (Annual Improvements 2011-2013 Cycle)

The adoption of the above is not expected to have any material impact on the financial statements of the Group.

Aveo Group (formerly known as FKP Property Group) ("AVEO"), an Australian-listed associate with its financial year ending in June, releases its financial statements on half-yearly basis i.e. for the periods ending June and December. In accounting for the Group's share of results in AVEO for the quarters ending March and September, the Group relies on the full year profit guidance issued by AVEO adjusted to its quarterly components. AVEO's profit guidance do not include any non-operational exceptional items. Accordingly, the Group's share of results in AVEO for March and September quarters are based on AVEO's profit guidance while for June and December periods are based on AVEO's public released results.

A2. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the financial year ended 31 December 2014 was not subject to any qualification.

A3. Seasonal or Cyclicity of Operations

Except for the hotel division whose performance is influenced by the festive and holiday periods, the other businesses of the Group are generally not subject to seasonal or cyclical fluctuations.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter ended 31 March 2015.

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A5. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current financial period.

A6. Changes in Debt And Equity Securities

During the financial period ended 31 March 2015, the Company has bought back 50,000 ordinary shares of RM0.50 each at average cost of RM0.38 per share. As at 31 March 2015, 222,249,800 ordinary shares of RM0.50 each were retained as treasury shares.

A7. Dividend Paid

There was no dividend paid during the current financial quarter.

A8. Segment Information

Segment analysis for continuing operations for the period ended 31 March 2015 and 2014 are set out below:

<u>Revenue</u>	Revenue		Profit/(Loss) Before Tax	
	3 months ended 31.3.2015	3 months ended 31.3.2014	3 months ended 31.3.2015	3 months ended 31.3.2014
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Property	56,171	41,858	10,366	14,304
Hospitality	104,311	85,236	4,554	(6,145)
Investment and others	3,347	260	54,975	(17,830)
	<u>163,829</u>	<u>127,354</u>	<u>69,895</u>	<u>(9,671)</u>
Finance costs	-	-	(28,744)	(19,660)
Share of results of associates/ jointly-controlled entities	-	-	(3,275)	11,914
	<u>163,829</u>	<u>127,354</u>	<u>37,876</u>	<u>(17,417)</u>

A9. Related Party Disclosures

Below are the significant related party transactions, which were carried out on terms and conditions negotiated amongst the related parties:

	3 Months Ended	
	<u>31.3.2015</u>	<u>31.3.2014</u>
	RM'000	RM'000
A. Associates		
Agency fee	220	-
Dividend income	-	3,609
Director fees received	62	64
Interest expense	240	-
Project management fee expense	20	-
Rental income	234	409
Rental expense	180	180
Share service income	350	646
	<u>350</u>	<u>646</u>
B. Other related parties		
Non-controlling interests of a subsidiary		
- Interest expense	29	25
A company related to a person connected to a director		
- Interest expense	50	96
- Other expense	12	-
- Rental income	338	-
	<u>338</u>	<u>-</u>

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

A10. Valuation Of Property, Plant And Equipment

The carrying value of the property, plant and equipment is stated at cost less depreciation and impairment losses.

A11. Capital Commitments

Capital commitments for the purchase of property, plant and equipment as at 31 March 2015 are as below:

	RM'000
(a) Approved and contracted for	4,052
(b) Approved but not contracted for	668
	<u>668</u>

A12. Material Events Subsequent To The Reporting Date

There were no material events subsequent to 31 March 2015 to be disclosed.

A13. Changes in The Composition Of the Group

Disposal of subsidiaries

The Company entered into a call option agreement ("Call Option Agreement") on 17 May 2012 with Teladan Kuasa Sdn Bhd ("Option Holder") to grant the Option Holder the right to require the Company to sell to the Option Holder up to 75 million ordinary shares in Mulpha Land Berhad ("MLB") (adjusted after the bonus issue exercise of MLB) at an adjusted option price of RM0.47 per share ("Call Option"). The Option Holder has paid the Company a non-refundable cash consideration of RM2 million upon execution of the Call Option Agreement. As at 31 December 2014, MLB is a 61.93% owned subsidiary of the Company.

The Option Holder is entitled to exercise the Call Option at any time during the period commencing from the date falling three (3) months after the date of the Call Option Agreement and ending on the day immediately preceding the third anniversary of the Call Option Agreement.

On 6 March 2015, the Option Holder exercised the Call Option. The sale and transfer of the 75 million ordinary shares by the Company to the Option Holder was completed on 9 March 2015. Upon completion, the Company owns 29.08% of MLB and MLB will be regarded as an associate company of the Company.

Effects on the financial position of the Group:

	2015
	RM'000
Property, plant & equipment	1,173
Investment properties	2,984
Inventories	222,883
Cash and cash equivalents	46,502
Receivables	4,383
Tax recoverable	1,127
Payables	(57,266)
Bank borrowings	(151,973)
Deferred tax liabilities	2,502
Net assets disposed of	<u>72,315</u>
Attributable goodwill	6,409
Realisation of reserves	(16,099)
Minority interest	<u>(42,506)</u>
	20,119
Transfer to investment in associates	(33,308)
Gain on disposal of subsidiaries	<u>50,385</u>
Consideration received after transaction cost, satisfied in cash	37,196
Cash and cash equivalents disposed of	<u>(46,502)</u>
Net cash outflow on disposal	<u>(9,306)</u>

A14. Changes in Contingent Liabilities or Contingent Assets

There are no contingent assets and liabilities as at the date of this report.

PART B

Explanatory Notes Pursuant to paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of performance

(a) Current Year-to-date vs. Previous Year-to-date

The Group reported revenue of RM163.83 million and pre-tax profit of RM37.88 million for the current quarter ended 31 March 2015 as compared to revenue of RM127.35 million and pre-tax loss of RM17.42 million in the corresponding quarter of the previous financial year. The Group's revenue and pre-tax profit recorded a significant improvement by 28.64% and 317.45% respectively, mainly attributed to higher contributions from the investment segment as further elaborated below.

The property division registered revenue of RM56.17 million and pre-tax profit of RM10.37 million for the 1st quarter of 2015 as compared to revenue of RM41.86 million and pre-tax profit of RM14.30 million in the previous year's corresponding quarter. Higher revenue in the current quarter was mainly attributed to Sanctuary Cove projects located in Queensland, Australia as well as full recognition of results from Mulpha Norwest Pty Limited ("Mulpha Norwest") which is principally involved in property development projects in Sydney, Australia. Mulpha Norwest, previously a jointly controlled entity, became a wholly owned subsidiary of the Group in May 2014.

The hospitality division recorded revenue of RM104.31 million and pre-tax profit of RM4.55 million for the 1st quarter of 2015 as compared to revenue of RM85.24 million and pre-tax loss of RM6.14 million for the previous year's corresponding quarter. The better performance was mainly due to improved occupancy and average room rates in One&Only Hayman Island in Australia.

The investments and other activities segment reported a pre-tax profit of RM54.97 million for the 1st quarter of 2015 as compared to a pre-tax loss of RM17.83 million in the previous year's corresponding quarter. The stronger performance in the current quarter was mainly attributed to gain on disposal of subsidiaries of RM50.39 million and a favourable foreign exchange rate movement on the Group's cash and deposits which were denominated in US Dollar of RM22.91 million.

B2. Comparisons With Preceding Quarter's Results

The Group recorded revenue of RM163.83 million and pre-tax profit of RM37.88 million for the 1st quarter of 2015 as compared to a revenue of RM357.15 million and pre-tax profit of RM73.79 million for the 4th quarter of 2014. The stronger performance in the previous quarter was mainly attributed to the property segment as further elaborated below.

The property division registered revenue of RM56.17 million and pre-tax profit of RM10.37 million for the 1st quarter of 2015 as compared to a revenue of RM230.81 million and pre-tax profit of RM140.83 million for the 4th quarter of 2014. The stronger performance in the previous quarter was mainly attributed to higher sales generated from the Sanctuary Cove project located in Queensland, Mulpha Norwest project in Sydney and Leisure Farm project located at Iskandar, Johor.

The hospitality division recorded revenue of RM104.31 million and pre-tax profit of RM4.55 million for the 1st quarter of 2015 as compared to a revenue of RM125.51 million and pre-tax loss of RM32.59 million for the 4th quarter of 2014. Higher revenue generated in the previous quarter was mainly due to better occupancy and average room rates enjoyed by all the hotels located in Australia. Despite the lower revenue in 1st quarter of 2015, the hospitality reported a better pre-tax profit in the current quarter was mainly due to lower operating cost.

The Group's investments and other activities segments reported pre-tax profit of RM54.97 million for the 1st quarter of 2015 as compared to pre-tax loss of RM4.13 million for the 4th quarter of 2014. The stronger performance was mainly due to disposal of subsidiaries of RM50.39 million as mentioned above.

B3. Prospects

With the implementation of the goods and services tax on 1 April 2015 coupled with the fall in the crude oil price, it is anticipated that general economic conditions in Malaysia will moderate. However, such market conditions may also provide opportunities for new investments and acquisitions which the Group is constantly on the lookout for. We also remain optimistic that the Group is well positioned for future growth opportunities based on its strong and geographically diversified property portfolio located in Malaysia, Australia and United Kingdom. Barring any unforeseen circumstances, the Group's performance for the financial year ending 2015 is expected to be satisfactory.

B4. Variance from Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

B5. Profit/(Loss) Before Tax

	3 Months Ended	
	31.03.2015	31.03.2014
	RM'000	RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):		
Bad debt recovered	-	(2)
Depreciation and amortisation	13,081	12,680
Dividend income	(764)	(328)
Fair value adjustment for assets held at fair value through profit or loss	1,248	-
Foreign exchange (gain)/loss		
- Realised	(22,905)	10,413
- Unrealised	4	175
Gain on disposal of subsidiary	(50,626)	-
Gain on disposal of investment securities and other investment	-	(108)
(Gain)/Loss on on disposal of property, plant and equipment	(84)	-
Interest income	(1,304)	(1,407)
Interest expense	28,744	19,660
Impairment loss on investment securities	53	-
Impairment/(Reversal) loss on inventories	10	-
Loss/(Gain) on derivatives	3,266	(990)
Impairment on allowance of doubtful debts	123	205
Property, plant and equipment written off	-	10
Rental income	(9,423)	(4,737)
	<u>(9,423)</u>	<u>(4,737)</u>

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B6. Income tax expense/(benefit)

	3 Months Ended	
	31.03.2015	31.03.2014
	RM'000	RM'000
Current year income tax		
Malaysian - current	224	8,284
Overseas - current	-	64
Underprovision in prior year	-	62
	<u>224</u>	<u>8,410</u>
Deferred tax		
Origination and reversal of temporary differences	(1,525)	(4,648)
Overprovision in prior year	(213)	-
	<u>(1,738)</u>	<u>(4,648)</u>
Income tax expense/(benefit)	<u>(1,514)</u>	<u>3,762</u>

The effective tax rate of the Group for the financial period ended 31 March 2015 under review is lower than the statutory rate of 25% mainly due to differential tax rates in other countries and certain income not subject to taxation. This was alleviated by certain expenses which are not deductible and certain deferred tax assets not recognised.

B7. Status of Corporate Proposals

On 18 December 2014, Norwest City Pty Limited, an indirect wholly-owned subsidiary of the Company entered into a Contract for the Sale of Land with Norwest Marketown Pty Limited as trustee for Norwest Lakeside Unit Trust ("Vendor") for the proposed acquisition of Norwest Marketown and certain surrounding lands located at Norwest Boulevard, Baulkham Hills NSW, Australia from the Vendor for a total purchase consideration of AUD120 million (equivalent to RM349.2 million). The said acquisition was completed on 27 February 2015.

B8. Group Loans and Borrowings

The details of the loans and borrowings as at 31 March 2015 are as follows:-

	RM'000	RM'000
Short term - Secured	778,214	
- Unsecured	<u>2,779</u>	780,993
Long term - Secured		<u>1,443,971</u>
		<u>2,224,964</u>

Included in the above group loans and borrowings are the following loans and borrowings raised by subsidiaries and denominated in foreign currencies:

		RM'000	equivalent
Australian Dollar	AUD '000	520,190	1,477,340
Japanese Yen	JPY '000	4,015,414	124,076
US Dollar	USD '000	150,000	<u>556,500</u>

B9. Material Litigation

As at the date of this report, there was no pending material litigation which could adversely affect the financial position of the Group.

B10. Dividend

The Board of Directors does not recommend any dividend for the current financial quarter.

B11. Earnings/(Loss) Per Share

The basic earnings/(loss) per share of the Group has been computed by dividing the profit/(loss) attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period, excluding treasury shares held by the Company as set out below:

	3 Months Ended	
	31.03.2015	31.03.2014
	RM'000	RM'000
Profit/(Loss) for the period	39,390	(21,179)
Non-controlling interests	1,841	823
Profit/(Loss) attributable to equity holders of the parent	<u>41,231</u>	<u>(20,356)</u>
Weighted average number of ordinary shares in issue ('000)		
Ordinary shares at 1 January	2,133,713	2,133,863
Effect of share buy back	-	-
Weighted average number of ordinary shares at 31 March	<u>2,133,713</u>	<u>2,133,863</u>
Basic earnings/(loss) per share (sen)	<u>1.93</u>	<u>(0.95)</u>

There are no potential dilution effects on ordinary shares of the Company for the current financial period. Accordingly, the diluted earnings/(loss) per share for the current financial period is equal to basic earnings/(loss) per share.

PART C

Disclosure of Realised and Unrealised Profits or Losses

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

	As at 31.03.2015 RM'000	As at 31.12.2014 RM'000
Total retained earnings/(accumulated losses):		
(i) Company and subsidiaries		
- Realised	1,013,007	905,511
- Unrealised	50,368	52,883
(ii) Associates		
- Realised	177,601	181,982
- Unrealised	485	485
- Breakdown unavailable *	(570,033)	(571,139)
	<u>671,428</u>	<u>569,722</u>
Less: Consolidated Adjustments	(197,503)	(137,011)
Total group retained earnings as per consolidated accounts	<u>473,925</u>	<u>432,711</u>

* There is no separate disclosure shown between the realised and unrealised profit/losses components for the Group's associates, AVEO Group, New Pegasus Limited and Rotol Singapore Ltd. The rationale being that such classification is not governed by the reporting requirements of the said associates.