

TA ENTERPRISE BERHAD (194867-M)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 JULY 2006

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-07-06 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-07-05 RM'000 (restated)	CURRENT YEAR TO DATE 31-07-06 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-07-05 RM'000 (restated)
Revenue	107,266	57,518	170,652	130,069
Other income	10,196	10,708	21,388	24,465
Other expenses	(66,871)	(63,013)	(115,087)	(124,523)
Finance costs, net	(2,288)	(2,943)	(4,465)	(6,001)
Share of results of associated companies	(46)	(58)	(51)	(81)
Profit before taxation	<u>48,257</u>	<u>2,212</u>	<u>72,437</u>	<u>23,929</u>
Taxation	(4,972)	(450)	(10,821)	(3,268)
Net profit for the period	<u>43,285</u>	<u>1,762</u>	<u>61,616</u>	<u>20,661</u>
Attributable to:				
Equity holders of the parent	43,093	1,604	61,433	20,382
Minority interests	192	158	183	279
	<u>43,285</u>	<u>1,762</u>	<u>61,616</u>	<u>20,661</u>
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	3.26	0.13	4.64	1.56
Fully diluted (sen)	3.26	0.13	4.64	1.56

AS AT END OF CURRENT QUARTER

AS AT PRECEDING FINANCIAL YEAR END

Net assets per share (RM)

1.39

1.35

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006)

TA ENTERPRISE BERHAD (194867-M)

CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 31-07-06 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31-01-06 RM'000 (restated)
NON-CURRENT ASSETS		
Property, plant and equipment	399,777	407,180
Investment properties	352,370	358,676
Land held for property development	294,658	98,980
Associated companies	15,178	15,229
Other investments	42,676	64,973
Deferred tax assets	654	1,243
Reserve on consolidation	-	(4,378)
	<u>1,105,313</u>	<u>941,903</u>
CURRENT ASSETS		
Property development costs	81,909	86,630
Properties & land held for resale	11,605	12,335
Inventories	786	437
Financial receivables	209,842	266,542
Trade receivables	457,472	410,710
Other receivables	99,907	95,770
Short term investments	1,749	2,721
Short term funds	539,537	564,644
	<u>1,402,807</u>	<u>1,439,789</u>
CURRENT LIABILITIES		
Provision for liabilities	3,274	4,040
Short term borrowings	7,303	7,199
Trade payables	326,879	264,794
Other payables	154,494	147,348
Taxation	4,993	2,224
	<u>496,943</u>	<u>425,605</u>
Net Current Assets	905,864	1,014,184
	2,011,177	1,956,087
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	1,328,475	1,328,475
Reserves	513,320	452,846
	1,841,795	1,781,321
Minority interests	7,627	7,462
TOTAL EQUITY	<u>1,849,422</u>	<u>1,788,783</u>
NON-CURRENT LIABILITIES		
Term loan	140,153	145,182
Deferred tax liabilities	21,602	22,122
	2,011,177	1,956,087
Net assets per share (RM)	1.39	1.35

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006)

TA ENTERPRISE BERHAD (194867-M)
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2006**

	Attributable to Equity Holders of the Parent						Minority Interests	Total Equity	
	Non-distributable				Distributable				
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	General reserve RM'000	Translation reserve RM'000	Retained profits RM'000			Total RM'000
At 1 February 2005									
As previously stated	1,328,475	63,273	10,324	290	106,689	257,435	1,766,486	7,193	1,773,679
Prior year adjustments									
- change in accounting policy (FRS 121)	-	-	-	-	45,232	(45,232)	-	-	-
At 1 February 2005 (restated)	1,328,475	63,273	10,324	290	151,921	212,203	1,766,486	7,193	1,773,679
Currency translation differences	-	-	-	-	(12,444)	-	(12,444)	(70)	(12,514)
Net profit for the period	-	-	-	-	-	20,382	20,382	279	20,661
Total recognised income and expense for the period	-	-	-	-	(12,444)	20,382	7,938	209	8,147
Dividend paid	-	-	-	-	-	-	-	-	-
At 31 July 2005	1,328,475	63,273	10,324	290	139,477	232,585	1,774,424	7,402	1,781,826
At 1 February 2006									
As previously stated per audited accounts	1,328,475	63,273	10,324	290	80,663	298,296	1,781,321	7,462	1,788,783
Prior year adjustments									
- change in accounting policy (FRS 121)	-	-	-	-	53,570	(53,570)	-	-	-
At 1 February 2006 (restated)	1,328,475	63,273	10,324	290	134,233	244,726	1,781,321	7,462	1,788,783
Effects of adopting FRS 3	-	-	-	-	-	4,378	4,378	-	4,378
	1,328,475	63,273	10,324	290	134,233	249,104	1,785,699	7,462	1,793,161
Currency translation differences	-	-	-	-	(5,337)	-	(5,337)	(18)	(5,355)
Net profit for the period	-	-	-	-	-	61,433	61,433	183	61,616
Total recognised income and expense for the period	-	-	-	-	(5,337)	61,433	56,096	165	56,261
Dividend paid	-	-	-	-	-	-	-	-	-
At 31 July 2006	1,328,475	63,273	10,324	290	128,896	310,537	1,841,795	7,627	1,849,422

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006)

TA ENTERPRISE BERHAD (194867-M)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2006**

	<i>Unaudited</i> CURRENT YEAR TO DATE 31-07-2006 RM'000	<i>Audited</i> PRECEDING YEAR TO DATE 31-01-2006 RM'000
Operating Activities		
Profit before taxation	72,437	97,842
Adjustments for:		
Non-cash items	5,737	56,734
Non-operating items	<u>(7,807)</u>	<u>(39,140)</u>
Operating profit before changes in working capital	70,367	115,436
Changes in working capital		
Net change in current assets	(175,421)	66,363
Net change in current liabilities	<u>(6,775)</u>	<u>(35,088)</u>
Cash (used in)/generated from operations	(111,829)	146,711
Interest received	4,861	21,247
Taxes paid	(7,675)	(8,778)
Taxes refunded	-	106
Net cash (used in) / generated from operating activities	<u>(114,643)</u>	<u>159,286</u>
Investing Activities		
Equity investments	23,678	18,029
Non-equity investments	1,157	15,058
Net cash generated from investing activities	<u>24,835</u>	<u>33,087</u>
Financing Activities		
Transactions with shareholders (see note)	-	(47,825)
Borrowings	1,298	(24,337)
Increase in pledged deposits for financing facilities	(62)	(900)
Net cash generated from / (used in) financing activities	<u>1,236</u>	<u>(73,062)</u>
Effects of foreign exchange rate changes	278	(93)
Net (decrease) / increase in Cash & Cash Equivalents during the period	<u>(88,294)</u>	<u>119,218</u>
Cash & Cash Equivalents at beginning of year		
As previously reported	440,986	321,768
Effects of exchange rate changes	<u>(1,385)</u>	<u>-</u>
As restated	439,601	321,768
Cash & Cash Equivalents at end of current period which exclude monies held in trust and fixed deposit pledged to financial institutions	<u>351,307</u>	<u>440,986</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006)

Note : Dividends paid to shareholders

TA ENTERPRISE BERHAD (194867-M)

Quarterly Report for the Period Ended 31 July 2006

Notes (in compliance with FRS 134)

A1 Basis of Preparation

The quarterly financial report is unaudited and has 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 report should be read in conjunction with the Group's audited financial statements for the year ended 31 January 2006.

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 2006 except for the adoption of the following new / revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 February 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 2, FRS 102, FRS 108, FRS 110, FRS 127, FRS 128, FRS 131, FRS 132, FRS 133, FRS 136 and FRS 138 does not have significant financial impact on the Group. The principal effects of the change in accounting policies resulting from the adoption of the new/revised FRSs are discussed below:

(a) FRS 2: Share-based Payment

This FRS requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity. The compensation expenses relating to share option will be recognised in profit or loss over the vesting periods of the grants with a corresponding increase in equity when the option is allocated. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of grant and the number of share options to be vested by vesting date. The fair value of the share option will be computed using a binomial model. At every balance sheet date, the Group will revise its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to equity over the remaining vesting period.

The Group operates an equity-settled, share-based compensation plan for the employees of the Group, under the TA Enterprise Berhad Employees' Share Option Scheme. As the Group has not granted any options to its employees, no compensation expense was recognised in the income statement.

(b) FRS 3: Business Combinations

Under FRS 3, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "reserve on consolidation"), after reassessment, is now recognised immediately in the income statement.

Prior to 1 February 2006, the reserve on consolidation was recognised as an item in Non-Current Assets in the balance sheet of the Group and would have been recognised in the income statement upon the disposal of the trust (of which the Group is a beneficiary) from which it arose. In accordance with the transitional provisions of FRS 3, the reserve on consolidation as at 1 February 2006 of RM4,378,200 was derecognised with a corresponding increase in retained profits.

(c) FRS 5: Non-current Assets Held for Sale and Discontinued Operations

Prior to 1 February 2006, under the previous FRS 135₂₀₀₄, the Group had classified a subsidiary's deregistered banking operation as a discontinuing operation. As the criteria to be classified as a discontinued operation under FRS 5 are stricter, such operation which could not meet all criteria of FRS 5 has been reclassified as a continuing operation.

The conditional sale of this subsidiary's asset subsequent to the current reporting period is disclosed in Note A 12(b) under Subsequent Events.

(d) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity, total recognised income and expenses for the period, showing separately the amount attributable to equity holders of the parent and to minority interests.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(e) FRS 140: Investment Property

The adoption of this new FRS has resulted in a change in classification for certain properties previously classified as Property, Plant and Equipment. These properties have been reclassified as investment properties as they are held to earn rentals or for capital appreciation or both, and not for use in the production or supply of goods and services or for administrative purposes. As the Group has chosen to adopt the cost model, such investment properties would be measured at depreciated cost less any accumulated impairment loss. However, a disclosure of their fair values would be made in the notes to the annual financial statements.

In accordance with the transitional provisions of FRS 140, the changes in respect of the abovesaid classifications have been accounted for by restating the following carrying amounts as at 31 January 2006:

	Previously stated RM'000	Reclassification RM'000	Restated RM'000
Property, plant and equipment	765,856	(358,676)	407,180
Investment properties	-	358,676	358,676

(f) FRS 121 : The Effects of Changes in Foreign Exchange Rates

Prior to 1 February 2006, exchange differences arising on monetary items that formed part of the Group's net investment in foreign operations were recognised in profit or loss in the period in which they arose.

In line with the adoption of FRS121: The Effects of Changes in Foreign Exchange Rates and for a more appropriate presentation of events/transactions in the consolidated financial statements, the Group changed its accounting policy with respect to the recognition of exchange differences arising from the designated intra-group monetary items that, in substance, formed part of the Group's net investment in foreign subsidiaries or trusts (of which the Group is a beneficiary) and for which settlement is neither planned nor likely to occur in the foreseeable future.

Such exchange differences would initially be reclassified to the translation reserve, a separate component of equity in the Group's financial statements and would subsequently be recognised in profit or loss on the realisation of the net investment.

The change in accounting policy has been adopted retrospectively and has resulted in the reclassification of such cumulative exchange differences (previously recognised gains) from the retained profits to the translation reserve as follows:

	As at 1.2.2006 RM'000	As at 1.2.2005 RM'000
Decrease in retained profits	(53,570)	(45,232)
Increase in translation reserve	53,570	45,232

	3 months ended		6 months ended	
	31.7.2006 RM'000	31.7.2005 RM'000	31.7.2006 RM'000	31.7.2005 RM'000
(Decrease)/increase in profit for the period	(178)	(719)	928	421

A3 Comparatives

The following comparative amounts have been restated due to the change in accounting policy as mentioned in Note A2(f) above:

	Previously stated RM'000	Change in accounting policy (Note A2 (f)) RM'000	Restated RM'000
At 31 January 2006			
Retained profits	298,296	(53,570)	244,726
Translation reserve	80,663	53,570	134,233
3 months ended 31 July 2005			
Other expenses	62,294	719	63,013
Profit before tax	2,931	(719)	2,212
Net profit for the period : attributable to equity holders of the parent	2,323	(719)	1,604
6 months ended 31 July 2005			
Other expenses	124,944	(421)	124,523
Profit before tax	23,508	421	23,929
Net profit for the period : attributable to equity holders of the parent	19,961	421	20,382

A4 Auditors' Report of Previous Annual Financial Statements

The auditors' report of the preceding annual financial statements was not qualified.

A5 Seasonal or Cyclical Factors

The Group's operations are not affected by any seasonal or cyclical factors other than the volatility in the trading volume and share prices on the Bursa Malaysia and the seasonal factors that affect the occupancy and room rates of the Group's hotel operations in Australia.

A6 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.

A7 Changes in Accounting Estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group has revised the residual values of certain buildings (including those classified under Investment Properties) and motor vehicles and the estimated useful lives of certain computer equipment from five to three years with effect from 1 February 2006. The revisions were accounted for as change in accounting estimates and as a result, the depreciation charges for the current financial period ended 31 July 2006 have been reduced by RM5,148,856.

There were no other changes in estimates that have had a material effect in the current quarter results.

A8 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities since the last annual balance sheet date.

A9 Dividends Paid

No dividend was paid in the current period ended 31 July 2006. Dividend payable after 31 July 2006 is detailed in Note B12.

A10 Segmental Information

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

	Stock broking and related activities	Investment holding and Others	Credit and financial services	Property investment	Property development	Hotel operations	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External sales	63,837	91	2,450	20,479	50,167	33,628	-	170,652
Inter-segment sales	114	5,669	-	11,608	-	6,147	(23,538)	-
Total revenue	63,951	5,760	2,450	32,087	50,167	39,775	(23,538)	170,652
Other income	12,343	2,354	4,346	1,150	637	558	-	21,388
Results								
Segment results	26,831	1,469	14,339	8,973	24,733	10,091	-	86,436
Elimination	4,761	(7,830)	(67)	921	(3,861)	(2,000)	-	(8,076)
Net segment results	31,592	(6,361)	14,272	9,894	20,872	8,091	-	78,360
Unallocated costs								(1,407)
Finance costs, net								(4,465)
Share of results of associated companies		(12)		(39)				(51)
Profit before taxation								72,437
Taxation								(10,821)
Net profit for the period								61,616
Attributable to:								
Equity holders of the parent								61,433
Minority Interests								183
								61,616

A11 Valuations of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements of the Group.

In accordance with the Group's policy, property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

A12 Subsequent Events

(a) Acquisition of subsidiary

TA Enterprise Berhad (“TAE”) has acquired 2 ordinary shares of RM1.00 each representing 100% equity interest in Star Winners Sdn. Bhd. for a total cash consideration of RM2.00 on 18 August 2006.

(b) Sale of rental enterprise, land and building in South Africa

TA Antarabangsa Finance South Africa Limited, a wholly-owned subsidiary of the Company incorporated in the Republic of South Africa, has on 6 September 2006 entered into an Agreement of Sale with Paramount Property Fund Limited (“PPFL”) for the sale of the rental enterprise including all land and buildings erected on the property in Rosebank Township for a total cash consideration of R73,000,000 (equivalent to RM37,084,000). The sale is conditional upon the fulfilment of certain conditions precedent among which, include the confirmation of PPFL that it is satisfied with its due diligence of the rental enterprise and the approval of the board of directors of PPFL within 30 days after 6 September 2006.

(c) Settlement of contingent liabilities

On 2 August 2006, Hijas Kasturi Associates Sdn. Bhd. had accepted a payment of RM1,300,000 as full and final settlement of its claim against TA Properties Sdn. Bhd. (“TAP”) for non-payment of architect’s fee of RM2,425,251 and loss of profits of RM3,690,000. TAP had previously provided an amount of RM3,274,089 (inclusive of interest of RM848,838) as a contingent liability in its accounts. Upon settlement of this account, an amount of RM1,974,089 has been written-back as a gain on settlement of liabilities previously disputed.

A13 Changes in the Composition of the Group

There were no changes in the composition of the Group during the interim period, except for the following:-

On 18 May 2006, TAE had submitted an application to Wu Hua Local Authorities of Kunming, Yunnan for the establishment of a wholly foreign-owned enterprise (“WFOE”) in Kunming, China. The WFOE shall be wholly-owned by Ace Fit International Limited, a wholly-owned subsidiary of TA Properties Sdn. Bhd. which is in turn, a wholly-owned subsidiary of the Company.

The Certificate of Approval for the establishment of this WFOE, TA Ace Fit Investment Management (Kunming) Co. Ltd was obtained on 21 June 2006. It was incorporated on 7 July 2006 with a registered capital of RMB4,000,000 and its business licence was received on 10 July 2006.

A14 Changes in Contingent Liabilities or Contingent Assets

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet date except as mentioned in Note A 12(c).

A15 Commitments

Commitments not provided for in the current financial period:-

	RM'000
a) Purchase of land held for property development approved and contracted for	75,345
b) Property, plant and equipment enhancement costs approved and contracted for	1,183

Notes (in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad)**B1 Review of performance of the Company and its Principal Subsidiaries**

The Group reported a pre-tax profit of RM48.3 million and a consolidated revenue of RM107.3 million for the current second quarter, compared to RM2.2 million and RM57.5 million respectively achieved in the previous year's corresponding period. The increase in pre-tax profit in the current quarter was mainly due to increased profit from sales of development properties, higher brokerage income and a net write-back of provision for doubtful debts.

For the current six-month financial period to date, the Group recorded a pre-tax profit of RM72.4 million, an increase of 203% over the previous year's corresponding period's pre-tax profit of RM23.9 million.

Analysis of the profit before taxation for the current second quarter and year to date:

	Current quarter RM'000	Year to date RM'000
Revenue	107,266	170,652
Other income		
- Recovery of financial receivables	951	1,610
- Interest income from financial institutions	2,851	6,331
- Gain on disposal of investments	3,843	9,603
- Others	2,551	3,844
	10,196	21,388
Other expenses		
- Amortisation and depreciation	(2,303)	(9,853)
- Cost of properties sold	(25,232)	(27,078)
- Remisiers', agents' and futures brokers' commission	(10,025)	(18,262)
- Write-back / (provision) for doubtful debts	5,177	8,949
- Write-back / (provision) for impairment loss on investments	(908)	(166)
- Foreign exchange losses	(2,060)	(3,852)
- Hotel operational expenses	(7,922)	(15,854)
- Others	(23,598)	(48,971)
	(66,871)	(115,087)
Finance costs, net	(2,288)	(4,465)
Share of results of associated companies	(46)	(51)
Profit before taxation	48,257	72,437

Profit in the current financial period to date was mainly contributed by the Group's stockbroking operations, property development activities, short term financing activities, property investment and hotel operations in Australia.

B2 Material Changes in pre-tax profit for the current quarter compared with the preceding quarter

The Group registered a higher pre-tax profit of RM48.3 million in the current quarter as compared with a pre-tax profit of RM24.1 million in the preceding quarter.

The increase in pre-tax profit was mainly attributable to higher profit recognised from property development activities and a net write-back of provision for doubtful debts.

B3 Prospects for the current financial year

The Government's expansionary 2007 budget will give a hefty boost to development spending by accelerating economic activities broadly across the many growth sectors. It has however scaled back the 2006 economic forecast from 6.0% to 5.8%, given the uncertainties in the global environment and inflationary concerns due to stubborn high oil prices and energy costs.

Against such an economic backdrop, the Group will nevertheless continuously endeavour to increase our market share of the stockbroking and financial services businesses, and strive hard to build up the property development division for the rest of the current financial year.

B4 Variance between Actual Profit and Forecast Profit

Not applicable.

B5 Taxation

a) Taxation for the current financial period is as follows:

	Current quarter RM'000	Year to date RM'000
Estimated tax charge for the period		
Malaysian income tax	3,959	8,732
Foreign tax	1,081	2,028
Deferred tax	(735)	(652)
Under provision in previous years	667	713
	4,972	10,821

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

	Current quarter RM'000	Year to date RM'000
Profit before taxation	48,257	72,437
Taxation at the statutory income tax rate of 27%	13,029	19,558
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 purposes	(8,724)	(9,450)
Under provision in previous years	667	713
Tax expense for the financial period	4,972	10,821

B6 Sale of Unquoted Investments and/or Properties

	Current quarter RM'000	Year to date RM'000
Profit on sale of unquoted investments	-	411
Profit on sale of property (other than development properties)	-	-

B7 Quoted Securities

a) Details of purchases and disposals of quoted securities held by the Group (other than a local stockbroking subsidiary) for the current financial period are as follows:-

	Current quarter RM'000	Year to date RM'000
Total purchases	-	82
Total sales	493	13,116
Profit on sale of quoted securities	233	643

b) Total investments in quoted securities held by the Group as at 31 July 2006 are as follows:-

	Local Stockbroking Subsidiary RM'000	Others RM'000	Total RM'000
Quoted securities, at cost	2,733	33,991	36,724
Less : Provision for impairment losses	(111)	(21,087)	(21,198)
Quoted securities, at book value	<u>2,622</u>	<u>12,904</u>	<u>15,526</u>
Market value of quoted securities	<u>6,581</u>	<u>19,569</u>	<u>26,150</u>

B8 Status of Corporate Proposals

All corporate proposals announced have been completed at the date of this quarterly report except for the following:-

- a) partially completed Special Bumiputra Issue first implemented in 1997;
- b) On 21 March 2003, TA Securities Holdings Berhad ("TASH") submitted an application for Universal Broker ("UB") status to the Securities Commission ("SC"). On 11 August 2003, TASH received approval from the SC subject to the fulfillment of certain conditions imposed on TASH.

An appeal seeking exemption/waiver of the aforesaid conditions was made by TASH and on 18 March 2004, SC varied the earlier conditional approval by retaining all the conditions previously imposed, except the condition that TASH, instead of Datuk Tiah Thee Kian ("Datuk"), would now provide a written declaration to the SC on the effective beneficial shareholding of Datuk in the Company.

Following the 18 March 2004 letter from SC and pursuant to the various appeals made by TASH to the SC on the same subject matter, the SC on 18 October 2004, consented to the following:

- (i) That Datuk and persons connected with him shall assign the voting rights of the shares in excess of 20% of their collective shareholding in the Company (“the excess shares”) to a firm of independent trustees before TASH is given the status of UB; and
- (ii) That Datuk shall have full discretion to dispose the excess shares in the Company as he deems fit to persons other than himself, his nominees and persons connected with him within two years from the date of TASH being given the UB status.

B9 Group Borrowings and Debt Securities

Total Group borrowings as at 31 July 2006 were as follows:-

	Secured RM'000	Unsecured RM'000
<i>Long Term Loan</i>		
Foreign currency loan	<u>140,153</u>	<u>-</u>
<i>Short Term Borrowings</i>		
Foreign currency loan	<u>7,303</u>	<u>-</u>
Denomination of foreign currency loan: -		
<i>Long Term Loan</i>		
C\$ 43,344,000	<u>140,153</u>	<u>-</u>
<i>Short Term Borrowings</i>		
C\$ 2,259,000	<u>7,303</u>	<u>-</u>

The above foreign currency loan is a 15-year term loan which will mature on 1 December 2020. The fixed interest rate of 4.79% per annum on the loan is compounded semi-annually and payable monthly together with principal amount. The term loan is secured against a freehold land and building in Canada and the assignment of rentals and general security agreement over the aforesaid land and building.

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 25 September 2006.

B11 Material Litigation

There has been no change in material litigation since the last annual balance sheet.

B12 Dividend

On 25 May 2006, based on the recommendation of the Board of Directors, a final dividend of 3 sen per ordinary share less 28% taxation amounting to RM28,695,054 in respect of the financial year ended 31 January 2006 was declared. The final dividend was approved at the Annual General Meeting that was held on 19 July 2006 and was paid on 15 August 2006.

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

B13 Earnings Per Share (EPS)

	Cumulative Period ended 31 July 2006	Cumulative Period ended 31 July 2005 (restated)
Basic earnings per share		
Net profit for the period (RM'000)	61,616	20,661
Weighted average number of ordinary shares in issue('000)	1,328,475	1,328,475
Basic earnings per share (sen)	<u>4.64</u>	<u>1.56</u>
Fully diluted earnings per share		
Net profit for the period (RM'000)	61,616	20,661
Weighted average number of ordinary shares in issue('000)	1,328,475	1,328,475
Fully diluted earnings per share (sen)	<u>4.64</u>	<u>1.56</u>

The outstanding warrants have been excluded from the computation of fully diluted earnings per RM1.00 ordinary share as their conversion to ordinary shares are anti-dilutive.

BY ORDER OF THE BOARD
Khoo Poh Kim @ Kimmy (LS04542)

Kuala Lumpur
27 September 2006