

TA ENTERPRISE BERHAD (194867-M)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2007

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/01/2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2006 RM'000 (Restated)	CURRENT YEAR TO DATE 31/01/2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/01/2006 RM'000 (Restated)
Revenue	110,707	99,716	354,519	312,756
Other income	17,263	14,679	50,876	62,490
Other expenses	(83,326)	(84,057)	(252,964)	(274,148)
Finance costs, net	(2,486)	(2,380)	(9,155)	(11,491)
Share of (losses)/profits of associated companies	10	(31)	(9)	(103)
Profit before taxation	<u>42,168</u>	<u>27,927</u>	<u>143,267</u>	<u>89,504</u>
Taxation	4,272	(342)	(11,662)	(8,796)
Net profit for the period	<u><u>46,440</u></u>	<u><u>27,585</u></u>	<u><u>131,605</u></u>	<u><u>80,708</u></u>
Attributable to:				
Equity holders of the parent	46,003	27,567	130,948	80,348
Minority interests	437	18	657	360
Net profit from ordinary activities	<u><u>46,440</u></u>	<u><u>27,585</u></u>	<u><u>131,605</u></u>	<u><u>80,708</u></u>
Earnings per share				
Basic (sen)	3.46	2.08	9.86	6.05
Fully diluted (sen)	3.46	2.08	9.86	6.05

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
Net assets value per share (RM)	1.40	1.34

(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 31/01/2007 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/01/2006 RM'000 (Restated)
Non-Current Assets		
Property, plant and equipment	487,147	547,132
Investment property	192,931	218,525
Land held for property development	361,204	98,980
Intangible asset	512	199
Associated companies	15,219	15,229
Other investments	34,182	64,973
Deferred tax assets	790	1,243
	<u>1,091,985</u>	<u>946,281</u>
Current Assets		
Property development costs	95,726	86,630
Properties & land held for resale	11,616	12,335
Inventories	295	437
Financial receivables	308,752	266,542
Trade receivables	880,980	410,710
Other receivables	90,795	95,770
Short term investments	6,720	2,721
Short term funds	410,006	564,644
	<u>1,804,890</u>	<u>1,439,789</u>
Non-current asset classified as held for sale	31,792	-
	<u>1,836,682</u>	<u>1,439,789</u>
Current Liabilities		
Provision for liabilities	29	4,040
Short term borrowings	21,867	7,199
Trade payables	695,552	264,794
Other payables	186,777	147,348
Taxation	8,600	2,224
	<u>912,825</u>	<u>425,605</u>
Net Current Assets	<u>923,857</u>	<u>1,014,184</u>
	<u>2,015,842</u>	<u>1,960,465</u>
Shareholders' equity		
Share capital	1,328,475	1,328,475
Reserves	533,174	457,224
	<u>1,861,649</u>	<u>1,785,699</u>
Minority interests	8,014	7,462
Term loan	125,214	145,182
Deferred tax liabilities	20,965	22,122
	<u>2,015,842</u>	<u>1,960,465</u>
Net assets value per share (RM)	<u><u>1.40</u></u>	<u><u>1.34</u></u>

(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 JANUARY 2007**

	Attributable to Equity Holders of the Parent					Distributable	Total	Minority Interests	Total Equity
	Non-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	RM'000	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	-	-	-	-	(17,688)	-	(17,688)	(91)	(17,779)
Net profit for the period	-	-	-	-	-	80,348	80,348	360	80,708
Total recognised income and expense for the period	-	-	-	-	(17,688)	80,348	62,660	269	62,929
Dividend paid	-	-	-	-	-	(47,825)	(47,825)	-	(47,825)
At 31 January 2006	1,328,475	63,273	10,324	290	134,233	244,726	1,781,321	7,462	1,788,783
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	-	-	-	-	(26,303)	-	(26,303)	(105)	(26,408)
Net profit for the period	-	-	-	-	-	130,948	130,948	657	131,605
Total recognised income and expense for the period	-	-	-	-	(26,303)	130,948	104,645	552	105,197
Dividend paid	-	-	-	-	-	(28,695)	(28,695)	-	(28,695)
At 31 January 2007	1,328,475	63,273	10,324	290	107,930	351,357	1,861,649	8,014	1,869,663

(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 JANUARY 2007**

	<i>Unaudited</i>	<i>Audited</i>
	CURRENT YEAR TO DATE 31/01/2007 RM'000	PRECEDING FINANCIAL YEAR ENDED 31/01/2006 RM'000 (Restated)
Operating Activities		
Profit before taxation	143,267	89,504
Adjustments for:		
Non-cash items	15,149	56,734
Non-operating items	(32,609)	(39,140)
Operating profit before changes in working capital	<u>125,807</u>	<u>107,098</u>
Changes in working capital		
Net change in current assets	(732,886)	66,363
Net change in current liabilities	339,927	(35,088)
Cash (used in)/generated from operations	<u>(267,152)</u>	<u>138,373</u>
Interest received	6,124	21,247
Taxes paid	(2,895)	(8,778)
Taxes refunded	-	106
Net cash (used in) / generated from operating activities	<u>(263,923)</u>	<u>150,948</u>
Investing Activities		
Equity investments	35,628	18,029
Non-equity investments	(7,983)	15,058
Net cash generated from investing activities	<u>27,645</u>	<u>33,087</u>
Financing Activities		
Transactions with shareholders (see note)	(28,695)	(47,825)
Borrowings	13,785	(24,337)
Decrease / (Increase) in pledged deposits for financing facilities	4,392	(900)
Net cash (used in) financing activities	<u>(10,518)</u>	<u>(73,062)</u>
Effects of foreign exchange rate changes	(14,718)	8,245
Net (decrease) / increase in Cash & Cash Equivalents during the period	<u>(261,514)</u>	<u>119,218</u>
Cash & Cash Equivalents at beginning of year		
As previously reported	440,986	321,768
Effects of exchange rate changes	8,820	-
As restated	449,806	321,768
Cash & Cash Equivalents at end of current period which exclude monies held in trust, Housing Developer Accounts and fixed deposits pledged to financial institutions	<u>188,292</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)

TA ENTERPRISE BERHAD (194867-M)

Quarterly Report for the Period Ended 31 January 2007

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 year 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

TA Antarabangsa Finance South Africa Limited, a wholly-owned subsidiary of the Company incorporated in the Republic of South Africa, had 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 RM35,375,800). The sale was conditional upon the fulfilment of certain conditions precedent among which, included 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. The agreement has become unconditional and is now pending completion.

This subsidiary's asset previously classified as Property, Plant and Equipment has been classified as Non-current asset held for sale in this financial quarter. Immediately before the classification as held for sale on 31/1/07, the carrying amount of the asset was remeasured upwards by RM5,336,000 being reversal of previous years' impairment loss, in accordance with the applicable FRS. Then, on initial classification as held for sale, the aforesaid asset was measured in accordance with FRS 5, that is at the lower of its new carrying amount and fair value less costs to sell. There was no loss recognised as a result of the remeasurement as its new carrying amount was lower than its fair value.

Prior to 1 February 2006, under the previous FRS 135₂₀₀₄, the Group had classified the subsidiary's deregistered banking operation as a discontinuing operation. As the present remaining operation of the subsidiary is that of a landlord deriving rental income and does not meet the definition of a discontinued operation under FRS 5, such operation has been reclassified as a continuing operation.

(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 138: Intangible Assets

Before the current fourth quarter of this financial year, all application software was classified as Property, Plant and Equipment. With the adoption of FRS138 in the current quarter, application software which can be separable from computer hardware, has been reclassified as an Intangible Asset. The Intangible Asset is measured on initial recognition at cost. After initial recognition, it is carried at cost less any accumulated amortisation and accumulated impairment losses. The aforesaid asset's useful life is finite and thus it has been amortised on a straight-line basis over its estimated economic useful life of 3 years and assessed for impairment whenever there is an indication that it may be impaired.

The changes in respect of the abovesaid reclassification were accounted for by restating the relevant carrying amounts as at 31 January 2006, as stated in Note (f) below.

(f) 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.

As at the end of the third quarter of this financial year and in accordance with the transitional provisions of FRS 140, the changes in respect of the abovesaid classifications were 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 property	-	358,676	358,676

However, in this current fourth quarter, the Group has decided to reclassify certain properties under Investment Property back to Property, Plant and Equipment. The property remaining in Investment Property shall continue to be measured in accordance with the cost model.

As such, the following carrying amounts as at 31 January 2006 have been restated in this current quarter as follows:-

	Previously stated RM'000	Reclassification RM'000	Restated RM'000
Property, plant and equipment	765,856	(218,724)	547,132
Investment property	-	218,525	218,525
Intangible asset	-	199	199

(g) 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		12 months ended	
	31.1.2007 RM'000	31.1.2006 RM'000	31.1.2007 RM'000	31.1.2006 RM'000
(Decrease)/increase in profit for the period	10,444	(2,340)	11,188	(8,338)

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
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3 months ended 31 January 2006			
Other expenses	81,717	2,340	84,057
Profit before tax	30,267	(2,340)	27,927
Net profit for the period : attributable to equity holders of the parent	29,907	(2,340)	27,567
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12 months ended 31 January 2006			
Other expenses	265,810	8,338	274,148
Profit before tax	97,842	(8,338)	89,504
Net profit for the period : attributable to equity holders of the parent	88,686	(8,338)	80,348
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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 motor vehicles only. It has also revised the estimated useful lives of certain computer equipment from five to three years and the useful life of a hotel building from 50 years to 70 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 year ended 31 January 2007 have been reduced by RM570,934.

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 January 2007.

A10 Segmental Information

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

	Stock broking and financial services	Investment holding and Others	Credit and lending	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	134,412	256	10,354	41,369	94,657	73,471	-	354,519
Inter-segment sales	159	55,497	-	4,235	63	12,411	(72,365)	-
Total revenue	134,571	55,753	10,354	45,604	94,720	85,882	(72,365)	354,519
Other income	23,260	6,098	7,090	11,652	1,237	1,539	-	50,876
Results								
Segment results	54,324	169,785	23,287	21,738	52,935	24,684	-	346,753
Elimination	9,269	(184,878)	(929)	2,175	(7,238)	(8,367)	-	(189,968)
Net segment results	63,593	(15,093)	22,358	23,913	45,697	16,317	-	156,785
Unallocated costs								(4,354)
Finance costs, net								(9,155)
Share of results of associated companies		19		(28)				(9)
Profit before taxation								143,267
Taxation								(11,662)
Net profit for the period								131,605
Attributable to:								
Equity holders of the parent								130,948
Minority Interests								657
								131,605

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

Exercise of 1,399 Warrants 1999/2009

On 9 March 2007, the Company's additional 1,399 new ordinary shares of RM1.00 each arising from the exercise of 1,399 warrants 1999/2000 conversion to ordinary shares, were granted listing and quotation.

A13 Changes in the Composition of the Group

There were no changes in the composition of the Group during the interim period.

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 for the following:-

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 financial statements. In this relation, an amount of RM1,974,089 had been written-back on settlement of liabilities previously disputed.

A15 Commitments

Commitments not provided for in the current financial period:-

RM'000

Land held for property development approved and contracted for

10,733

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 RM42.2 million and a consolidated revenue of RM110.7 million for the current fourth quarter, compared to RM27.9 million and RM99.7 million respectively in the previous year's corresponding period. Group performance in the current quarter was boosted by the buoyant stockmarket which increased brokerage income due to higher trading volumes.

For the current financial year to date, the Group recorded a pre-tax profit of RM143.3 million, an increase of 60.1% over the previous year's restated pre-tax profit of RM89.5 million. Group revenue also increased to RM354.5 million from RM312.8 million last year.

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

	Current quarter RM'000	Year to date RM'000
Revenue	110,707	354,519
Other income		
- Recovery of financial receivables	-	2,525
- Interest income from financial institutions	3,914	13,748
- Gain on disposal of investments	5,273	16,845
- Write-back of impairment loss on property, plant & equipment	5,336	5,336
- Others	2,740	12,422
	17,263	50,876
Other expenses		
- Amortisation and depreciation	(13,171)	(31,850)
- Cost of properties sold	(15,477)	(51,551)
- Remisiers', agents' and futures brokers' commissions	(14,800)	(38,844)
- Write-back of provision for doubtful debts	1,898	15,037
- Write-back of provision for impairment loss on investments	1,497	1,751
- Foreign exchange losses	(4,445)	(10,410)
- Hotel operational expenses	(8,819)	(33,790)
- Personnel and others	(30,009)	(103,307)
	(83,326)	(252,964)
Finance costs, net	(2,486)	(9,155)
Share of results of associated companies	10	(9)
Profit before taxation	42,168	143,267

Profit in the current financial year 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 RM42.2 million in the current quarter as compared with a pre-tax profit of RM28.7 million in the preceding quarter.

The increase in pre-tax profit was mainly attributable to higher profit recognised from higher brokerage income and property development activities.

B3 Prospects for the current financial year

The regional equity markets started the year 2007 in a bullish mood but the global sell-off in early March and subsequent sharp correction in the KLCI and share prices have somewhat subdued investors' sentiment. While global and local equity markets are now recovering from their previous sharp falls and a sense of stability has begun to return to the markets, we may still see some volatility in the coming months due to internal and external developments.

Notwithstanding the above, we think Malaysia's economic outlook remains favourable for the rest of this year as its underlying fundamentals are still intact - strengthening ringgit, current account surplus, manageable inflation and a creditable growth rate. Other positive factors include the liberalisation of government policies and capital controls, participation from foreign investors and ongoing corporate M & A activities.

Although there are concerns that a weakening US economy will affect global bourses and influence international trade and capital flows, our Board is optimistic that the Group will continue to benefit from the still buoyant stock market and the increasing demand for niche premium residential and commercial investments. The Group hopes to match if not improve on its current financial year's performance by expanding its financial services and increasing the contribution from its property development division with the launch of new projects in the next financial year ending 31 January 2008.

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	776	13,159
Foreign tax	256	3,731
Deferred tax	(2,877)	(3,570)
Over provision in previous years	(2,427)	(1,658)
	<u>(4,272)</u>	<u>11,662</u>

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

	Current quarter RM'000	Year to date RM'000
Profit before taxation	<u>42,168</u>	<u>143,267</u>
Taxation at the statutory income tax rate of 27% (*)	11,385	38,682
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	(13,230)	(25,362)
Over provision in previous years	(2,427)	(1,658)
Tax (income) / expense for the financial period	<u>(4,272)</u>	<u>11,662</u>

(*) The corporate tax rate has been reduced from 28% to 27% with effect from this financial year (i.e. Year of Assessment 2007).

B6 Sale of Unquoted Investments and/or Properties

	Current quarter RM'000	Year to date RM'000
(Loss) / Profit on sale of unquoted investments	(13)	435
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	-	10,153
Total sales	14,791	34,746
Profit on sale of quoted securities	571	1,711

b) Total investments in quoted securities held by the Group as at 31 January 2007 are as follows:-

	Local Stockbroking Subsidiary RM'000	Others RM'000	Total RM'000
Quoted securities, at cost	7,647	29,173	36,820
Less : Provision for impairment losses	(28)	(18,454)	(18,482)
Quoted securities, at book value	<u>7,619</u>	<u>10,719</u>	<u>18,338</u>
Market value of quoted securities	<u>15,729</u>	<u>16,909</u>	<u>32,638</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 January 2007 were as follows:-

	Secured RM'000	Unsecured RM'000
<i>Long Term Loan</i>		
Ringgit currency loan	-	-
Foreign currency loan	125,214	-
	<u>125,214</u>	<u>-</u>
<i>Short Term Borrowings</i>		
Ringgit currency loan	15,000	-
Foreign currency loan	6,867	-
	<u>21,867</u>	<u>-</u>
Denomination of foreign currency loan: -		
<i>Long Term Loan</i>		
C\$ 42,173,876	<u>125,214</u>	<u>-</u>
<i>Short Term Borrowings</i>		
C\$ 2,312,831	<u>6,867</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 22 March 2007.

B11 Material Litigation

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

B12 Dividend

No further dividend is declared as at the date of this announcement.

B13 Earnings Per Share (EPS) attributable to the equity holders of the parent

	Cumulative Period ended 31 January 2007	Cumulative Period ended 31 January 2006 (restated)
Basic earnings per share		
Net profit for the period (RM'000) - attributable to equity holders	130,948	80,348
Weighted average number of ordinary shares in issue ('000)	1,328,475	1,328,475
Basic earnings per share (sen)	<u>9.86</u>	<u>6.05</u>
Fully diluted earnings per share		
Net profit for the period (RM'000) - attributable to equity holders	130,948	80,348
Weighted average number of ordinary shares in issue ('000)	1,328,475	1,328,475
Fully diluted earnings per share (sen)	<u>9.86</u>	<u>6.05</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
26 March 2007