

**TA ENTERPRISE BERHAD (194867-M)**
**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING	YEAR	CORRESPONDING
	QUARTER	QUARTER	TO DATE	PERIOD
	30-04-08	30-04-07	30-04-08	30-04-07
	RM'000	RM'000	RM'000	RM'000
Revenue	116,373	133,851	116,373	133,851
Other income	7,583	29,336	7,583	29,336
Other expenses	(83,862)	(84,389)	(83,862)	(84,389)
Profit from operations	40,094	78,798	40,094	78,798
Finance costs, net	(1,926)	(2,433)	(1,926)	(2,433)
Share of losses of associated companies	21	(9)	21	(9)
Profit before tax	38,189	76,356	38,189	76,356
Income tax expense	(9,330)	(18,325)	(9,330)	(18,325)
Profit for the period	28,859	58,031	28,859	58,031
Attributable to:				
Equity holders of the parent	28,736	57,811	28,736	57,811
Minority interests	123	220	123	220
	28,859	58,031	28,859	58,031
Earnings per share attributable to equity holders of the parent				
Basic (sen)	2.01	4.35	2.01	4.35
Fully diluted (sen)	1.93	3.11	1.93	3.11

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
Net assets value per share (RM)	1.52	1.50

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 January 2008)

# TA ENTERPRISE BERHAD (194867-M)

## CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	30-04-08	31-01-08
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	486,319	483,132
Investment property	194,890	205,082
Land held for property development	410,997	410,878
Prepaid land lease payments	9,630	9,856
Intangible assets	207	243
Associated companies	15,105	15,085
Other investments	43,900	44,191
Deferred tax assets	4,447	4,442
	<u>1,165,495</u>	<u>1,172,909</u>
<b>Current assets</b>		
Property development costs	64,352	80,182
Properties & land held for resale	7,613	7,613
Inventories	1,349	1,357
Financial receivables	183,611	195,177
Trade receivables	678,416	665,484
Other receivables	64,503	183,745
Short term investments	1,039	2,149
Short term funds	924,433	778,621
	<u>1,925,316</u>	<u>1,914,328</u>
Non-current asset classified as held for sale	244	262
	<u>1,925,560</u>	<u>1,914,590</u>
<b>TOTAL ASSETS</b>	<b><u>3,091,055</u></b>	<b><u>3,087,499</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	1,426,971	1,426,971
Reserves	<u>737,955</u>	<u>707,091</u>
	<u>2,164,926</u>	<u>2,134,062</u>
<b>Minority interests</b>	<u>9,297</u>	<u>9,122</u>
<b>Total equity</b>	<u>2,174,223</u>	<u>2,143,184</u>
Deferred tax liabilities	20,740	21,082
Term loan	<u>122,028</u>	<u>129,224</u>
	<u>142,768</u>	<u>150,306</u>
<b>Current liabilities</b>		
Provision for liabilities	41	1,240
Short term borrowings	8,730	7,883
Trade payables	640,570	639,926
Other payables	111,420	129,354
Income tax payable	<u>13,303</u>	<u>15,606</u>
	<u>774,064</u>	<u>794,009</u>
<b>Total liabilities</b>	<u>916,832</u>	<u>944,315</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>3,091,055</u></b>	<b><u>3,087,499</u></b>
Net assets value per share (RM)	<u>1.52</u>	<u>1.50</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 January 2008)

**TA ENTERPRISE BERHAD (194867-M)**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2008**

	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	Exchange difference recognised in equity RM'000	Retained profits RM'000	Total RM'000	RM'000	RM'000
At 1 February 2007	1,328,475	63,273	10,324	290	65,339	41,899	353,472	1,863,072	8,044	1,871,116
Currency translation differences, representing net gain not recognised in the income statement	-	-	-	-	10,473	4,323	-	14,796	93	14,889
Profit for the period	-	-	-	-	-	-	57,811	57,811	220	58,031
Issuance of ordinary shares pursuant to exercise of Warrants 1999/2009	7,143	-	-	-	-	-	-	7,143	-	7,143
At 30 April 2007	1,335,618	63,273	10,324	290	75,812	46,222	411,283	1,942,822	8,357	1,951,179
At 1 February 2008	1,426,971	63,263	10,324	290	74,698	54,524	503,992	2,134,062	9,122	2,143,184
Currency translation differences, representing net gain/(loss) not recognised in the income statement	-	-	-	-	7,421	(5,238)	-	2,183	52	2,235
Profit for the period	-	-	-	-	-	-	28,736	28,736	123	28,859
Cost associated with issuance of shares	-	(55)	-	-	-	-	-	(55)	-	(55)
At 30 April 2008	1,426,971	63,208	10,324	290	82,119	49,286	532,728	2,164,926	9,297	2,174,223

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2008)

**TA ENTERPRISE BERHAD (194867-M)**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2008**

	<b>3 months ended</b>	
	<b>30-04-08 RM'000</b>	<b>30-04-07 RM'000</b>
<b>Operating Activities</b>		
Profit before tax	38,189	76,356
Adjustments for:		
Non-cash items	9,546	1,996
Non-operating items	(5,605)	(27,808)
Operating profit before changes in working capital	42,130	50,544
Changes in working capital		
Net change in current assets	42,643	100,487
Net change in current liabilities	(18,517)	(79,362)
Cash generated from operations	66,255	71,669
Interest (paid)/received	(20)	2,020
Taxes refunded/(paid)	8,124	(3,025)
Net cash generated from operating activities	74,359	70,664
<b>Investing Activities</b>		
Equity investments	7,550	20,512
Non-equity investments	(1,636)	5,261
Net cash generated from investing activities	5,914	25,773
<b>Financing Activities</b>		
Equity financing and borrowings	(1,492)	(8,996)
Decrease in pledged deposits for financing facilities	-	4,726
Net cash used in financing activities	(1,492)	(4,270)
Net increase in Cash & Cash Equivalents during the period	78,781	92,167
Cash & Cash Equivalents at beginning of year		
As previously reported	379,358	174,347
Effects of exchange rate changes	(2,342)	(58)
As restated	377,016	174,289
Cash & Cash Equivalents at end of current period which exclude monies held in trust, Housing Developer Accounts and fixed deposits pledged to financial institutions	455,797	266,456

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2008)

# **TA ENTERPRISE BERHAD (194867-M)**

## **Quarterly Report for the Period Ended 30 April 2008**

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 2008.

### **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 2008 except for the adoption of the following new / revised Financial Reporting Standards ("FRS") effective for our financial year beginning 1 February 2008:

FRS 107	Cash Flows Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in Foreign Operation

The adoption of the above FRSs and amendment to FRS does not have significant financial impact on the Group.

### **A3 Auditors' Report of Previous Annual Financial Statements**

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

### **A4 Seasonal or Cyclical Factors**

The Group's operations are not affected by any seasonal or cyclical factors other than 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.

### **A5 Unusual Items Affecting the Financial Statements**

There were no items affecting assets, liabilities, equity, net income or cash flows during the financial period under review that were unusual because of their nature, size or incidence.

### **A6 Changes in Accounting Estimates**

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

## A7 Debt and Equity Securities

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

## A8 Dividends Paid

No dividends have been paid since the beginning of the current financial quarter.

## A9 Segmental Information

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

	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
<b>Revenue</b>								
External sales	33,731	3,375	1,082	9,657	46,288	22,240	-	116,373
Inter-segment sales	-	18,143	-	2,006	-	-	(20,149)	-
Total revenue	33,731	21,518	1,082	11,663	46,288	22,240	(20,149)	116,373
<b>Other income</b>	3,053	1,526	765	720	332	1,187	-	7,583
<b>Results</b>								
Operating results	16,371	(2,124)	258	4,002	19,829	5,934	-	44,270
Foreign exchange gains	12	(1,742)	-	(1,185)	-	12	-	(2,903)
Net segment results	16,383	(3,866)	258	2,817	19,829	5,946	-	41,367
Unallocated costs								(1,273)
Finance costs, net								(1,926)
Share of results of associated companies		12		9				21
Profit before tax								38,189
Income tax expense								(9,330)
Profit for the period								28,859
<b>Attributable to:</b>								
Equity holders of the parent								28,736
Minority Interests								123
								28,859

## A10 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.

**A11 Subsequent Events**

There were no material events subsequent to the end of the current quarter.

**A12 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter.

**A13 Changes in Contingent Liabilities or Contingent Assets**

There were no material changes in contingent liabilities or contingent assets since the last audited financial statements of the Group.

**A14 Commitments**

The amount of commitments for the purchase of computer software not provided for in the interim financial statements as at 30 April 2008 is as follow:

Approved and contracted for

**RM'000**

825

## B1 Review of Performance of the Company and its Principal Subsidiaries

The Group reported a pre-tax profit of RM38.2million and a consolidated revenue of RM116.4million for the current first quarter, compared to RM76.4million and RM133.9million respectively achieved in the previous year's corresponding period. Group performance in the current quarter was adversely affected by the volatile stock market sentiment which resulted in the drop in brokerage income and gain on disposal of investments. However, its effect on the Group's performance was partially compensated by the contribution from its property development arm, which achieved a two-fold increase in turnover and pre-tax profit as compared to the previous year's corresponding period.

Analysis of the profit before tax for the current first quarter:

	<b>First Quarter</b>	
	Current Year 30 April 2008 <b>RM'000</b>	Preceding Year 30 April 2007 <b>RM'000</b>
Revenue	116,373	133,851
Other income		
- Recovery of financial receivables	5	5,598
- Interest income from financial institutions	4,813	2,862
- Gain on disposal of investments	1,133	19,737
- Others	1,632	1,139
	7,583	29,336
Other expenses		
- Amortisation and depreciation	(7,312)	(7,429)
- Cost of properties sold	(25,443)	(11,393)
- Remisiers', agents' and futures brokers' commissions	(6,616)	(25,585)
- Hotel operational expenses	(14,965)	(12,817)
- Personnel and others	(24,283)	(32,282)
- (Provision)/Write-back on provision for doubtful debts	(2,068)	2,083
- (Provision)/Write-back on provision for impairment loss on investments	(272)	1,886
- Foreign exchange (loss)/gain	(2,903)	1,148
	(83,862)	(84,389)
Finance costs, net	(1,926)	(2,433)
Share of results of associated companies	21	(9)
Profit before tax	38,189	76,356

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

## B2 Material Changes in Pre-tax Profit for the Current Quarter Compared with the Preceding Quarter

The Group registered a lower pre-tax profit of RM38.2 million in the current first quarter as compared with a pre-tax profit of RM41.2 million in the preceding fourth quarter. This was mainly attributable to the lower trading volumes in the stockmarket, which resulted in reduced brokerage income, and lower gain on disposal of investments.



### **B3 Prospects for the current financial year**

The country is presently facing various challenges such as slowdown in the world economy and inflationary pressure. In the light of these challenges, the Group will continue to focus on prudent management and expedite the completion of property development projects that have been sold.

Barring unforeseen circumstances, the Group expects to withstand these economic challenges and continue to perform well for financial year ending 31 January 2009.

### **B4 Variance between Actual Profit and Forecast Profit**

Not applicable.

### **B5 Taxation**

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

	Current quarter/ Year to date <b>RM'000</b>
Estimated tax charge for the period	
Malaysian income tax	7,533
Foreign tax	1,822
Deferred tax	(25)
	<hr/> 9,330 <hr/>

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

	Current quarter/ Year to date <b>RM'000</b>
Profit before taxation	<hr/> 38,189 <hr/>
Taxation at the statutory income tax rate of 25%	9,547
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	(217)
Tax expense for the financial period	<hr/> 9,330 <hr/>

### **B6 Sale of Unquoted Investments and/or Properties**

There were no sales of unquoted investments and properties during the financial period ended 30 April 2008.

## B7 Quoted Securities

- a) Details of purchases and disposals of quoted securities held by the Group for the current financial period are as follows:-

	Current quarter/ Year to date <b>RM'000</b>
Total purchases	-
Total sales	1,385
Loss on sale of quoted securities	4

- b) Total investments in quoted securities held by the Group as at 30 April 2008 are as follows:-

	Local Stockbroking Subsidiary <b>RM'000</b>	Others <b>RM'000</b>	Total <b>RM'000</b>
Quoted securities, at cost	642	35,289	35,931
Less : Provision for impairment losses	(11)	(3,383)	(3,394)
Quoted securities, at book value	631	31,906	32,537
Market value of quoted securities	654	34,775	35,429

## 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 30 April 2008 were as follows:-

	Secured RM'000	Unsecured RM'000
<i>Long Term Borrowings</i>		
Foreign currency loan	121,758	270
<i>Short Term Borrowings</i>		
Bank overdraft	-	1,094
Foreign currency loan	7,636	-
	<u>7,636</u>	<u>1,094</u>
Denomination of secured foreign currency loan: -		
<i>Long Term Loan</i>		
C\$ 39,125,334	121,758	-
<i>Short Term Borrowings</i>		
C\$ 2,453,810	7,636	-

The secured foreign currency loan of the Group 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 13 June 2008.

## B11 Material Litigation

As at 13 June 2008, there were no changes in material litigation since the last annual balance sheet date of 31 January 2008.

## B12 Dividend

On 16 May 2008, based on the recommendation of the Board of Directors, a final dividend of 10% less 25% taxation (7.50 sen per ordinary share) in respect of the financial year ended 31 January 2008 was declared. The final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

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

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

	<b>INDIVIDUAL/ CUMULATIVE QUARTER</b>	
	Current quarter/year to date 30 April 2008	Preceding quarter/year corresponding period 30 April 2007
<b>Basic earnings per share</b>		
Profit for the period (RM'000) - attributable to equity holders	28,736	57,811
Weighted average number of ordinary shares in issue ('000 )	1,426,971	1,329,508
Basic earnings per share (sen)	<u>2.01</u>	<u>4.35</u>
<b>Diluted earnings per share</b>		
Profit for the period (RM'000) - attributable to equity holders	28,736	57,811
Weighted average number of ordinary shares in issue ('000)	1,426,971	1,329,508
Effects of dilution – Warrants 1999/2009	<u>61,794</u>	<u>527,317</u>
Adjusted weighted average number of ordinary shares in issue and issuable	<u>1,488,765</u>	<u>1,856,825</u>
Diluted earnings per share (sen)	<u>1.93</u>	<u>3.11</u>

For the purpose of calculating diluted earnings per share for the current and corresponding financial period, the weighted average number of ordinary shares in issue during the period has been adjusted for the dilutive effects of all potential ordinary shares resulting from conversion of Warrants 1999/2009.

BY ORDER OF THE BOARD  
Yong Kim Kiong

Kuala Lumpur  
20 June 2008