

TA ENTERPRISE BERHAD (194867-M)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2008

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-10-08	31-10-07	31-10-08	31-10-07
	RM'000	RM'000	RM'000	RM'000
Revenue	141,718	147,675	424,871	419,932
Other income	10,820	29,247	28,159	81,702
Other expenses	(99,842)	(80,007)	(293,837)	(248,382)
Profit from operations	52,696	96,915	159,193	253,252
Finance costs, net	(1,487)	(2,619)	(4,729)	(7,513)
Share of (losses)/profits of associated companies, net of tax	(3)	18	(32)	41
Profit before tax	51,206	94,314	154,432	245,780
Income tax expense	(12,814)	(22,835)	(37,589)	(59,187)
Profit for the period	38,392	71,479	116,843	186,593
Attributable to:				
Equity holders of the parent	38,230	71,398	116,532	185,799
Minority interests	162	81	311	794
	38,392	71,479	116,843	186,593
Earnings per share attributable to equity holders of the parent				
Basic (sen)	2.68	5.02	8.16	13.45
Fully diluted (sen)	2.68	3.58	8.16	10.23

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
Net assets value per share (RM)	1.46	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
	31-10-08	31-01-08
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	427,897	483,132
Investment property	179,948	205,082
Land held for property development	427,841	410,878
Prepaid land lease payments	10,420	9,856
Intangible assets	142	243
Associated companies	15,052	15,085
Other investments	58,146	44,191
Deferred tax assets	4,718	4,442
	<u>1,124,164</u>	<u>1,172,909</u>
Current assets		
Property development costs	42,874	80,182
Properties & land held for resale	6,961	7,613
Inventories	1,772	1,357
Financial receivables	174,988	195,177
Trade receivables	814,456	665,484
Other receivables	133,919	183,745
Short term investments	3,500	2,149
Short term funds	819,304	778,621
	<u>1,997,774</u>	<u>1,914,328</u>
Non-current asset classified as held for sale	239	262
	<u>1,998,013</u>	<u>1,914,590</u>
TOTAL ASSETS	<u>3,122,177</u>	<u>3,087,499</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,427,405	1,426,971
Reserves	652,101	707,091
	<u>2,079,506</u>	<u>2,134,062</u>
Minority interests	<u>14,494</u>	<u>9,122</u>
Total equity	<u>2,094,000</u>	<u>2,143,184</u>
Non-current liabilities		
Deferred tax liabilities	17,742	21,082
Term loan	110,025	129,224
	<u>127,767</u>	<u>150,306</u>
Current liabilities		
Provision for liabilities	1,183	1,240
Short term borrowings	7,711	7,883
Trade payables	716,869	639,926
Other payables	146,059	129,354
Income tax payable	28,588	15,606
	<u>900,410</u>	<u>794,009</u>
Total liabilities	<u>1,028,177</u>	<u>944,315</u>
TOTAL EQUITY AND LIABILITIES	<u>3,122,177</u>	<u>3,087,499</u>
Net assets value per share (RM)	<u>1.46</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 31 OCTOBER 2008**

	Attributable to Equity Holders of the Parent						Distributable	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	-	-	-	-	32,748	23,294	-	56,042	283	56,325
Profit for the period	-	-	-	-	-	-	185,799	185,799	794	186,593
Dividend	-	-	-	-	-	-	(73,693)	(73,693)	-	(73,693)
Issuance of ordinary shares pursuant to exercise of Warrants 1999/2009	98,496	-	-	-	-	-	-	98,496	-	98,496
At 31 October 2007	1,426,971	63,273	10,324	290	98,087	65,193	465,578	2,129,716	9,121	2,138,837
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	-	-	-	-	(50,437)	(13,975)	-	(64,412)	5,061	(59,351)
Profit for the period	-	-	-	-	-	-	116,532	116,532	311	116,843
Dividend	-	-	-	-	-	-	(107,055)	(107,055)	-	(107,055)
Issuance of ordinary shares pursuant to exercise of Warrants 1999/2009	434	-	-	-	-	-	-	434	-	434
Cost associated with issuance of shares	-	(55)	-	-	-	-	-	(55)	-	(55)
At 31 October 2008	1,427,405	63,208	10,324	290	24,261	40,549	513,469	2,079,506	14,494	2,094,000

(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 31 OCTOBER 2008**

	9 months ended	
	31-10-08 RM'000	31-10-07 RM'000
Operating Activities		
Profit before tax	154,432	245,780
Adjustments for:		
Non-cash items	29,545	5,767
Non-operating items	(13,606)	(70,788)
Operating profit before changes in working capital	170,371	180,759
Changes in working capital		
Net change in current assets	(81,483)	(184,231)
Net change in current liabilities	93,648	194,827
Cash generated from operations	182,536	191,355
Interest (paid)/received	(48)	21,977
Taxes paid	(18,953)	(15,596)
Net cash generated from operating activities	163,535	197,736
Investing Activities		
Equity investments	(9,076)	42,204
Non-equity investments	(23,309)	15,063
Net cash (used in)/generated from investing activities	(32,385)	57,267
Financing Activities		
Transactions with shareholders (see Note)	(107,055)	(73,693)
Equity financing and borrowings	1,405	85,116
Decrease in pledged deposits for financing facilities	-	12,645
Net cash (used in) / generated from financing activities	(105,650)	24,068
Net increase in Cash & Cash Equivalents during the period	25,500	279,071
Cash & Cash Equivalents at beginning of year		
As previously reported	379,358	174,347
Effects of exchange rate changes	(4,307)	2,646
As restated	375,051	176,993
Cash & Cash Equivalents at end of current period which exclude monies held in trust, Housing Developer Accounts and fixed deposits pledged to financial institutions	400,552	456,064

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

Note: Dividends paid to shareholders

TA ENTERPRISE BERHAD (194867-M)

Quarterly Report for the Period Ended 31 October 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.

The Group has not adopted FRS 139 - Financial Instruments: Recognition and Measurement, which will be effective for financial period beginning on or after 31 January 2010.

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 except for the following:

Warrants 1999/2009

During the financial quarter ended 31 October 2008, the Company issued 4,000 new shares (current year to date: 434,000 shares) for the cash consideration of RM1 per new ordinary share pursuant to the exercise of 4,000 warrants (current year to date: 434,000 warrants) by the warrant holders. The number of warrants outstanding and unexercised as at 31 October 2008 is 473,649,326.

A8 Dividends Paid

Dividends paid on 1 August 2008 were approved by the shareholders at the Company's Annual General Meeting on 19 June 2008, in respect of the year ended 31 January 2008 being final dividend of 10% less 25% taxation (7.50 sen net per ordinary share), on 1,427,400,838 ordinary shares, amounting to RM107,055,055.

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
Revenue								
External sales	81,733	10,892	2,878	37,623	229,823	61,922	-	424,871
Inter-segment sales	65	154,512	-	5,982	-	-	(160,559)	-
Total revenue	81,798	165,404	2,878	43,605	229,823	61,922	(160,559)	424,871
Other income	11,198	6,967	1,461	3,412	1,468	3,653	-	28,159
Results								
Operating results	33,304	(16,384)	(6,635)	13,229	125,227	14,370	-	163,111
Foreign exchange gains/(losses)	(419)	1,437	-	(41)	-	24	-	1,001
Net segment results	32,885	(14,947)	(6,635)	13,188	125,227	14,394	-	164,112
Unallocated costs								(4,919)
Finance costs, net								(4,729)
Share of results of associated companies, net of tax		2		(34)				(32)
Profit before tax								154,432
Income tax expense								(37,589)
Profit for the period								116,843
Attributable to:								
Equity holders of the parent								116,532
Minority Interests								311
								116,843

A10 Subsequent Events

There were no material events subsequent to the end of the current quarter except for the following:

(a) Acquisition of AAVA Whistler Hotel Ltd.

On 9 December 2008, the Group acquired 100% equity interest in AAVA Whistler Hotel Ltd (“AAVA Whistler Hotel”), a foreign subsidiary, for a total cash consideration of CAD1.00, represented by 1 common share of CAD1.00 each.

AAVA Whistler Hotel was incorporated on 2 December 2008 as a limited company in Canada (Certificate of Incorporation No. BC0840668) pursuant to the Business Corporations Act (British Columbia). The current issued and paid-up capital of AAVA Whistler Hotel is one common share. AAVA Whistler Hotel will be principally engaged as a management company and hotel operator.

(b) Acquisition of TA Covenant Ltd. and Ascents Hotel Pty. Ltd., and establishment of Ascents Trust

On 15 December 2008, the Group acquired 2 ordinary shares of AUD1.00 each in the capital of TA Covenant Ltd. and Ascents Hotel Pty. Ltd., representing 100% equity interest each as foreign subsidiaries of the Group, for a total cash consideration of AUD2.00 each.

The Group has also established Ascents Trust by subscribing to 12 ordinary units of AUD1.00 each representing all the units issued to-date, for a total cash consideration of AUD12.00.

TA Covenant Ltd. was incorporated in Victoria, Australia, under Corporations Act, 2001, Australia on 2 December 2008 and its principal activity is to act as trustee for Ascents Trust.

Ascents Hotel Pty. Ltd. was incorporated in Victoria, Australia, under Corporations Act, 2001, Australia on 15 December 2008 and its principal activity is hotel operator.

Ascents Trust was registered in Victoria, Australia under the Australian Law on 15 December 2008 and the trust will be the beneficial owner of an asset, as stated under A10(c).

(c) Acquisition of The Westin Melbourne

On 15 December 2008, TA Covenant Ltd. and Ascents Hotel Pty. Ltd., wholly-owned subsidiaries of the Group entered into a conditional Sale and Purchase Agreement to acquire the hotel property and business known as “The Westin Melbourne” located at 205-209 Collins Street, Melbourne, Victoria 3000, for a cash consideration of RM389,120,243 equivalent to AUD160,000,100 at the exchange rate of RM2.432 to AUD1. The acquisition was not yet completed as at 23 December 2008.

(d) Acquisition of No.205 Cathedral Ventures Limited and establishment of Aava (Canada) Trust

On 19 December 2008, ERF Properties Sdn. Bhd., a wholly-owned subsidiary of the Group acquired one common share of CAD1.00 each in the capital of No.205 Cathedral Ventures Limited, representing 100% equity interest as foreign subsidiary of the Company, for a total purchase price of RM964,661 at a pre-agreed exchange rate of RM2.9321 to CAD1.00.

No.205 Cathedral Ventures Limited was incorporated in Canada under the BC Company Act (now known as the BC Business Corporations Act) on 24 July 1997 as a private limited company and its principal activity is real estate investment holding. It will act as the bare trustee of Coast Whistler Hotel.

As at 19 December 2008, its authorized share capital is CAD20,000,000 comprising of 20,000,000 common shares of CAD1.00 each. The issued and paid up capital is CAD1.00 comprising 1 common share of CAD1.00 each. Datuk Tiah Thee Kian is the ultimate Beneficial Owner of No.205 Cathedral Ventures Limited.

ERF Properties Sdn. Bhd has also established Aava (Canada) Trust as the Beneficial Owner for the Coast Whistler Hotel.

A11 Changes in the Composition of the Group

(a) Acquisition of TA Global Berhad

On 15 August 2008, the Group acquired 100% equity interest in TA Global Berhad (“TAG”), a company incorporated in Malaysia for a total cash consideration of RM2, represented by 2 ordinary shares of RM1 each. TAG was incorporated on 8 August 2008 as a public limited company in Malaysia under the Companies Act, 1965. Its principal activity is investment holding and TAG is currently dormant.

(b) Acquisition of AAVA Whistler Holdings Ltd.

On 12 September 2008, the Group acquired 1 common share representing 100% equity interest in AAVA Whistler Holdings Ltd., a foreign subsidiary, for a total cash consideration of CAD1.00.

AAVA Whistler Holdings Ltd. was incorporated on 31 August 2008 as a limited company in Canada (Certificate of Incorporation No. BC0833898) pursuant to the Business Corporations Act (British Columbia). The current issued and paid-up capital of AAVA Whistler Holdings Ltd. is one common share and it is currently dormant.

(c) Dissolution of Empress Investments Trust (“EIT”) and Empress Holdings Trust (“EHT”)

On 20 August 2008, EIT and EHT, trusts of which the Company is the 100% ultimate beneficiary, incepted in the Barbados, had been dissolved on 13 August 2008.

The distribution of all remaining assets in the trusts was paid on 13 August 2008 to their immediate beneficiary, TA Antarabangsa Development Limited, a wholly-owned subsidiary of the Company.

As both EIT and EHT are inactive, their dissolutions will have no material financial and operational effect on the Group.

(d) Dissolution of Empress II Holdings Limited (“EHL”) and TA Management (Empress II) Ltd. (“TML”)

On 22 August 2008, EHL and TML, both wholly-owned subsidiaries of the Company, incorporated in Canada, had been dissolved.

As both EHL and TML are dormant and inactive, their dissolution will have no material financial and operational effect on the Group.

A12 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.

A13 Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 October 2008 is as follow:

	RM'000
Approved and contracted for:	
- Computer software	825
- Property, plant and equipment	96,403
	<hr/>
	97,228
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B1 Review of Performance of the Company and its Principal Subsidiaries

The Group reported a pre-tax profit of RM51.2million and a consolidated revenue of RM141.7million for the current third quarter, compared to RM94.3million and RM147.7million respectively achieved in the previous year's corresponding period. The drop in brokerage income resulted from the weak stock market sentiment was however cushioned by the Group's revenue in property development, especially its Idaman Residence Project, which increased more than four-fold. The Group's pre-tax profit was lower due to lower write-back of provision on financial receivables, lower gain on disposal of short term and other investments, higher provision for doubtful debts and higher impairment losses on other investments.

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

	Current Quarter 31 Oct 2008 RM'000	Year To Date 31 Oct 2008 RM'000
Revenue	141,718	424,871
Other income		
- Write-back of provision on financial receivables	6	16
- Interest income from financial institutions	4,370	15,436
- Other interest income	919	2,597
- Accretion on discounts of other investments	236	1,992
- Gain on disposal of short term and other investments	1,710	3,477
- Others	3,579	4,641
	10,820	28,159
Other expenses		
- Amortisation and depreciation	(5,543)	(22,041)
- Cost of properties sold	(36,171)	(107,773)
- Contract cost	(3,327)	(9,974)
- Remisiers', agents' and futures brokers' commissions	(4,222)	(16,257)
- Hotel operational expenses	(13,308)	(43,627)
- Personnel and others	(25,679)	(63,856)
- Provision for doubtful debts	(5,035)	(9,259)
- Provision for impairment loss on other investments	(7,834)	(19,059)
- Provision for impairment loss on properties	-	(2,992)
- Foreign exchange gain	1,277	1,001
	(99,842)	(293,837)
Finance costs, net	(1,487)	(4,729)
Share of results of associated companies	(3)	(32)
Profit before tax	51,206	154,432

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 RM51.2 million in the current third quarter as compared with a pre-tax profit of RM65.0 million in the preceding second quarter. This was mainly attributable to the lower revenue of stockbroking and property development divisions.

B3 Prospects for the current financial year

The country is presently facing various challenges such as slowdown in the world economy and unsteady financial market. 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 RM'000	Year to date RM'000
Estimated tax charge for the period		
Malaysian income tax	11,798	37,321
Foreign tax	1,698	3,783
Deferred tax	(682)	(3,515)
	<u>12,814</u>	<u>37,589</u>

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

	Current quarter RM'000	Year to date RM'000
Profit before taxation	<u>51,206</u>	<u>154,432</u>
Taxation at the statutory income tax rate of 25%	12,802	38,608
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	12	(1,019)
Tax expense for the financial period	<u>12,814</u>	<u>37,589</u>

B6 Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and properties except for the following:-

	Total Sales	
	Current quarter RM'000	Year to date RM'000
Investment in Equity Linked Notes (included in other investments)	22,162	115,761

The disposals had not resulted in any gains or losses as they were transacted at carrying amount.

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
	RM'000	RM'000
Total purchases	7,292	51,516
Total sales	13,361	26,975
Loss on sale of quoted securities	147	444

b) Total investments in quoted securities held by the Group as at 31 October 2008 are as follows:-

	Local Stockbroking Subsidiary	Others	Total
	RM'000	RM'000	RM'000
Quoted securities, at cost	4,613	67,774	72,387
Less : Provision for impairment losses	(1,466)	(21,672)	(23,138)
Quoted securities, at book value	3,147	46,102	49,249
Market value of quoted securities	3,147	48,772	51,919

B8 Corporate Proposals

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.
- c) On 4 September 2008, the Company announced a proposal to list its property division currently held by its wholly-owned subsidiary company, TA Properties Sdn Bhd (“TAP”) on the Main Board of Bursa Malaysia Securities Berhad by undertaking the following proposals:

- (i) Proposed Reorganisation comprising:-

- (a) Proposed disposals by the Company of the following:-

- 10,000,000 ordinary shares of RM1.00 each and 689,489 non-cumulative redeemable preference shares of RM1.00 each in TAP, representing 100% of the existing issued and paid-up share capital of TAP;
- 25,000 ordinary shares of RM1.00 each in Sanjung Padu (M) Sdn Bhd, representing the entire 49% equity interest held by the Company; and
- the entire 50% unit trust capital held by the Company in Wales House Trust;

to TA Global Berhad (“TAG”) for a total consideration of RM1,725,781,814 to be satisfied by the issuance of 2,236,199,996 new ordinary shares of RM0.50 each in TA Global at an issue price of RM0.50 each to be credited as fully paid-up and 1,215,363,632 new irredeemable convertible preference shares of RM0.50 each in TAG at an issue price of RM0.50 each.

Upon completion of the above proposed disposals, TA Properties Group, Sanjung Padu and Wales House Trust will be effectively 100% subsidiaries of TAG.

- (b) Proposed disposal by the Company to TAG of Taman Duta Residences, (Nos 28, 28A and 30, Persiaran Duta, Taman Duta), 2 pieces of leasehold land with residential house No.30 situated on Lot 37717 (formerly PT22) HS(D) 63, Mukim and District of Kuala Lumpur and houses Nos 28 and 28A situated on Lot 37716 PN10009, Mukim and District of Kuala Lumpur, for a total consideration of RM26,900,000 to be satisfied by the issuance of 53,800,000 new shares at an issue price of RM0.50 each to be credited as fully paid-up at an issue price of RM0.50 each.
- (ii) Proposed Listing of TAG on the Main Board of Bursa Malaysia Securities Berhad comprising the following:-
 - (a) Proposed Rights Issue of 860,000,000 new shares at an issue price of RM0.50 per ordinary share of RM0.50 each to all the existing shareholders of TAG;
 - (b) Proposed Public Issue by TAG of 350,000,000 new shares at an indicative issue price of RM0.50 per share; and
 - (c) Proposed Offer for Sale by the Company of 875,000,000 shares at an indicative issue price of RM0.50 per share.
- (iii) Proposed Capital Distribution of up to 1,425,791,000 shares and all ICPS held by the Company (amounting to 1,215,363,632 ICPS) representing up to approximately 40.7% equity interest in TAG to the shareholders of the Company which will result in, amongst others, the reduction of the par value of the ordinary shares of the Company from RM1.00 to RM0.50; and
- (iv) Proposed Amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Capital Distribution.

The Company had on 12 September 2008 made a submission in relation to the above proposals to the Securities Commission, Equity Compliance Unit (under the Guidelines on Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests) and the Ministry of International Trade and Industry for the respective regulatory authorities' approval.

On 5 November 2008, the Company announced that the Ministry of International Trade and Industry has taken note of the Proposals, subject to the approval of the Securities Commission for the Proposed Listing and compliance with the Foreign Investment Committee's Guidelines on the Acquisition of Interest, Mergers and Take-overs by Local and Foreign Interests.

On 12 November 2008, the Company announced that the Securities Commission has approved the above proposals pursuant to the Capital Markets and Services Act 2007 and the Foreign Investment Committee's Guidelines on the Acquisition of Interest, Mergers and Take-overs by Local and Foreign Interests, subject to the fulfillment of certain conditions imposed on the Company and TAG. The Company and TAG do not foresee any problem in the fulfillment of those issues.

B9 Group Borrowings and Debt Securities

Total Group borrowings as at 31 October 2008 were as follows:-

	Secured RM'000	Unsecured RM'000
<i>Long Term Borrowings</i>		
Foreign currency loan	<u>110,025</u>	<u>-</u>
<i>Short Term Borrowings</i>		
Bank overdraft	-	29
Foreign currency loan	<u>7,682</u>	<u>-</u>
	<u>7,682</u>	<u>29</u>
Denomination of secured foreign currency loan: -		
<i>Long Term Loan</i>		
C\$ 37,731,600	<u>110,025</u>	<u>-</u>
<i>Short Term Borrowings</i>		
C\$ 2,634,372	<u>7,682</u>	<u>-</u>

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 16 December 2008.

B11 Material Litigation

As at 16 December 2008, there were no changes in material litigation since the last annual balance sheet date of 31 January 2008.

B12 Dividend

No interim ordinary dividend has been declared for the financial period ended 31 October 2008 (31 October 2007: Nil).

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31 Oct 2008	Preceding year corresponding quarter 31 Oct 2007	Current year to date 31 Oct 2008	Preceding year corresponding period 31 Oct 2007
Basic earnings per share				
Profit for the period (RM'000) - attributable to equity holders	38,230	71,398	116,532	185,799
Weighted average number of ordinary shares in issue ('000)	1,427,402	1,423,566	1,427,222	1,381,387
Basic earnings per share (sen)	<u>2.68</u>	<u>5.02</u>	<u>8.16</u>	<u>13.45</u>
Diluted earnings per share				
Profit for the period (RM'000) - attributable to equity holders	38,230	71,398	116,532	185,799
Weighted average number of ordinary shares in issue ('000)	1,427,402	1,423,566	1,427,222	1,381,387
Effects of dilution – Warrants 1999/2009	-	568,292	-	434,467
Adjusted weighted average number of ordinary shares in issue and issuable	1,427,402	1,991,858	1,427,222	1,815,854
Diluted earnings per share (sen)	<u>2.68</u>	<u>3.58</u>	<u>8.16</u>	<u>10.23</u>

For the purpose of calculating diluted earnings per share, 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.

As for the current financial period, the dilutive effects of all the outstanding warrants have not been taken into account as the conversion of these warrants are anti-dilutive.

BY ORDER OF THE BOARD
Yong Kim Kiong

Kuala Lumpur
23 December 2008