

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2012**

	AS AT END OF CURRENT QUARTER 31/1/2012 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/1/2011 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,937,932	1,726,442
Investment property	179,961	185,669
Land held for property development	405,570	410,033
Prepaid land lease payments	220	227
Intangible assets	289,870	270,360
Associated companies	26,270	14,874
Jointly controlled operations	86,759	47,609
Investment securities	158,049	23,164
Financial receivables	277,781	204,163
Deferred tax assets	10,176	10,308
	<u>3,372,588</u>	<u>2,892,849</u>
<b>Current assets</b>		
Property development costs	37,708	36,064
Properties & land held for resale	39,148	23,567
Inventories	2,526	1,815
Financial receivables	105,395	137,960
Trade receivables	489,279	600,792
Other receivables	105,127	130,704
Investment securities	37,230	8,463
Short term funds	593,751	591,258
	<u>1,410,164</u>	<u>1,530,623</u>
<b>TOTAL ASSETS</b>	<u>4,782,752</u>	<u>4,423,472</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	1,711,910	1,711,910
Reserves	(111,083)	(215,533)
	<u>1,600,827</u>	<u>1,496,377</u>
<b>Non-controlling interests</b>	<u>1,207,811</u>	<u>1,176,974</u>
<b>TOTAL EQUITY</b>	<u>2,808,638</u>	<u>2,673,351</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	234,307	212,482
Borrowings	800,074	711,813
	<u>1,034,381</u>	<u>924,295</u>
<b>Current liabilities</b>		
Provision for liabilities	2,298	3,235
Borrowings	109,969	44,831
Trade payables	518,222	613,982
Other payables	288,575	152,458
Derivatives	1,736	-
Income tax payable	18,933	11,320
	<u>939,733</u>	<u>825,826</u>
<b>TOTAL LIABILITIES</b>	<u>1,974,114</u>	<u>1,750,121</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>4,782,752</u>	<u>4,423,472</u>
Net assets value per share (RM)	<u>0.94</u>	<u>0.87</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011)

**TA ENTERPRISE BERHAD (194867-M)**
**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/1/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/1/2011 RM'000	CURRENT YEAR TO DATE 31/1/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/1/2011 RM'000
<b>Revenue</b>	190,068	179,626	693,892	618,822
Other income	9,319	13,743	41,877	43,581
Other expenses	(157,044)	(132,919)	(552,919)	(499,270)
<b>Profit from operations</b>	42,343	60,450	182,850	163,133
Finance costs	(9,182)	(6,458)	(29,851)	(23,439)
Share of results of associated companies	(7)	15	647	1
Share of results of jointly controlled operations	(1,648)	-	(1,648)	-
<b>Profit before tax</b>	31,506	54,007	151,998	139,695
Income tax expense	183	(14,597)	(29,803)	(32,918)
<b>Profit for the period</b>	31,689	39,410	122,195	106,777
Profit attributable to:				
Owners of the parent	23,025	32,266	94,713	81,371
Non-controlling interests	8,664	7,144	27,482	25,406
	31,689	39,410	122,195	106,777
Earnings per share attributable to owners of the parent				
Basic (sen)	1.34	1.88	5.53	4.75
Fully diluted (sen)	1.34	1.88	5.53	4.75

**AS AT END OF CURRENT QUARTER**
**AS AT PRECEDING FINANCIAL YEAR END**

Net assets value per share (RM)

0.94

0.87

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/1/2012	31/1/2011	31/1/2012	31/1/2011
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	31,689	39,410	122,195	106,777
<b>Other comprehensive income/(loss):</b>				
Foreign currency translation differences for foreign operation	2,546	(1,969)	50,156	(24,154)
Net gain/(loss) on fair value changes on available-for-sale financial assets	1,819	524	(1,803)	2,572
Income tax relating to components of other comprehensive income	35	(174)	29	(459)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>4,400</b>	<b>(1,619)</b>	<b>48,382</b>	<b>(22,041)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>36,089</b>	<b>37,791</b>	<b>170,577</b>	<b>84,736</b>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	26,705	30,040	130,129	63,838
Non-controlling interests	9,384	7,751	40,448	20,898
	<b>36,089</b>	<b>37,791</b>	<b>170,577</b>	<b>84,736</b>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2012**

	Attributable to owners of the parent										
	Non-distributable					Distributable					
	Share capital	Share premium	Capital reserve	General reserve	Available-for-sale reserve	Exchange translation reserve	Exchange difference recognised in equity	Retained profits/(accumulated losses)	Total	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 February 2010</b>	1,711,910	63,208	10,324	290	-	186,070	62,555	(501,046)	1,533,311	1,085,744	2,619,055
Effects of adopting FRS 139	-	-	-	-	20	-	-	3,191	3,211	82	3,293
<b>At 1 February 2010, as restated</b>	1,711,910	63,208	10,324	290	20	186,070	62,555	(497,855)	1,536,522	1,085,826	2,622,348
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	2,066	15,124	(34,723)	81,371	63,838	20,898	84,736
<b>Transaction with owners</b>											
Dividend	-	-	-	-	-	-	-	(32,098)	(32,098)	-	(32,098)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,635)	(1,635)
Transfer from general reserve	-	-	-	(290)	-	-	-	290	-	-	-
Effect of dilution in effective interest in subsidiaries that does not result in a loss of control	-	-	(57)	(290)	-	(29,376)	-	(42,452)	(71,885)	71,885	-
<b>Total transaction with owners</b>	-	-	(57)	(290)	-	(29,376)	-	(74,260)	(103,983)	70,250	(33,733)
<b>At 31 January 2011</b>	1,711,910	63,208	10,267	-	2,086	171,818	27,832	(490,744)	1,496,377	1,176,974	2,673,351
<b>At 1 February 2011</b>	1,711,910	63,208	10,267	-	2,086	171,818	27,832	(490,744)	1,496,377	1,176,974	2,673,351
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	(1,819)	41,538	(4,303)	94,713	130,129	40,448	170,577
<b>Transaction with owners</b>											
Dividend	-	-	-	-	-	-	-	(25,679)	(25,679)	-	(25,679)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	(9,611)	(9,611)
<b>Total transaction with owners</b>	-	-	-	-	-	-	-	(25,679)	(25,679)	(9,611)	(35,290)
<b>At 31 January 2012</b>	1,711,910	63,208	10,267	-	267	213,356	23,529	(421,710)	1,600,827	1,207,811	2,808,638

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2012**

	12 months ended	
	31/1/2012 RM'000	31/1/2011 RM'000
<b>Operating Activities</b>		
Profit before tax	151,998	139,695
Adjustments for:		
Non-cash items	76,637	77,067
Non-operating items	2,321	(21,179)
Operating profit before changes in working capital	230,956	195,583
Net change in assets	66,725	(156,248)
Net change in liabilities	28,801	(33,096)
Cash generated from operations	326,482	6,239
Interest (paid)/received	(1,036)	9,523
Taxes paid	(23,974)	(29,857)
Taxes refunded	131	38
Net cash generated from/(used in) operating activities	301,603	(14,057)
<b>Investing Activities</b>		
Interest received	15,561	15,532
Acquisition of subsidiary	(119,129)	(4,794)
Investment in associated company	(10,750)	-
Dividend received	978	380
Investment in jointly controlled operations	(40,079)	(10,410)
Development cost on land held for development	(19,447)	(9,729)
Purchase of property, plant and equipment	(16,753)	(53,496)
Deposit paid for acquisition of subsidiary	-	(18,922)
Purchase of investment properties	-	(9,112)
Net (Purchase)/Disposal of investment securities	(151,578)	12,756
Other receipts/(payments)	930	4,068
Net cash used in investing activities	(340,266)	(73,727)
<b>Financing Activities</b>		
Dividend paid	(25,679)	(32,098)
Dividend paid to minority interest	(9,611)	(1,635)
Interest paid	(29,852)	(20,266)
Net drawdown of borrowings	78,358	67,283
(Increase)/decrease in pledged deposits for financing facilities	726	988
Net cash generated from financing activities	13,942	14,272
Net (decrease) in Cash & Cash Equivalents during the period	(24,721)	(73,512)
Cash & Cash Equivalents at beginning of year		
As previously reported	257,338	337,066
Effects of exchange rate changes	2,676	(6,216)
As restated	260,014	330,850
Cash & Cash Equivalents at end of current period which exclude monies held in trust, Housing Developer Accounts and fixed deposits pledged to financial institutions	235,292	257,338

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011)

# TA ENTERPRISE BERHAD (194867-M)

## Quarterly Report for the Period Ended 31 January 2012

Notes (in compliance with FRS 134)

### A1 Basis of Preparation

The quarterly financial statements are 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 statements should be read in conjunction with the Group's audited financial statements for the year ended 31 January 2011.

### 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 2011, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and IC interpretations.

		<b>Effective for financial periods beginning on or after</b>
Amendments to FRS 132	Classification of Rights Issues	1 March 2010
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12	Service Concession Agreements	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2011
	- Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	
	- Additional Exemptions for First-time Adopters	
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Improvements to FRSs	Improvements to FRSs (2010)	1 January 2011
IC Interpretation 4	Determining Whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011

## **A2 Changes in Accounting Policies (cont'd)**

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the adoption of the other revised standards, amendments/improvements to existing standards and IC Interpretations did not have any significant impact on the financial statements of the Group in the period of initial application.

The nature of the impending changes in accounting policy on adoption of the revised FRS 3 and the amendments to FRS 127 are described below:-

### *Revised FRS 3 Business Combinations*

The revised standard introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. There is a choice on an acquisition-to-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and the future reported results.

### *Amendments to FRS 127 Consolidated and Separate Financial Statements*

The Amendment to FRS 127 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

### *Malaysian Financial Reporting Standards (MFRS Framework)*

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework) in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on 1 January 2012.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 January 2014.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 January 2014.

### **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.

### **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 reporting date.

### **A8 Dividends Paid**

During the financial year ended 31 January 2012, a first and final dividend of 2.0% less 25% taxation on 1,711,909,630 ordinary shares in respect of the financial year ended 31 January 2011, amounting to RM25,678,651 (1.5 sen net per ordinary shares) was paid on 31 July 2011.



## A9 Segmental Information

Segment revenue and segment results for the current financial year 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	125,229	8,675	42,171	49,663	64,068	404,086	-	693,892
Inter-segment sales	-	127,078	5,734	14,894	-	-	(147,706)	-
Total revenue	125,229	135,753	47,905	64,557	64,068	404,086	(147,706)	693,892
<b>Other income</b>								
	20,841	8,442	4,085	1,427	1,546	5,537	-	41,878
<b>Results</b>								
Net segment results	45,811	569	33,571	22,839	14,116	79,312	-	196,218
Foreign exchange (losses)/gains	1,752	673	4,087	(4,040)	-	429	-	2,901
Unallocated costs								(16,269)
Profit from operations								182,850
Finance costs	(151)	(11,250)	(1,214)	(7,961)	-	(9,275)	-	(29,851)
Share of results of associated companies	-	-	-	654	(7)	-	-	647
Share of results of jointly controlled operations	-	-	-	(1,648)	-	-	-	(1,648)
Profit before tax								151,998
Income tax expense								(29,803)
Profit for the year								122,195
<b>Attributable to:</b>								
Owners of the Parent								94,713
Non-controlling interests								27,482
								122,195

## A10 Subsequent Events

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

## A11 Changes in the Composition of the Group during the financial quarter

### *Incorporation of new foreign subsidiaries*

- 1) On 21 December 2011, TA Global Bhd incorporated TA Canada Holdings Ltd in the province of British Columbia Canada pursuant to the Business Corporations Act as a private limited company. The issued and paid-up capital of TA Canada Holdings Ltd is CAD1.00. Its principal activity is investment holding.

## **A11 Changes in the Composition of the Group during the financial quarter (cont'd)**

### ***Incorporation of new foreign subsidiaries (cont'd)***

- 2) On 22 December 2011, TA Global incorporated TA West Georgia Developments Ltd in the province of British Columbia Canada pursuant to the Business Corporations Act as a private limited company. The issued and paid-up capital of TA West Georgia Developments Ltd is CAD1.00. Its principal activity is property development.

### ***Acquisition of subsidiaries***

- 1) On 5 December 2011, TA Global Bhd acquired two ordinary shares representing 100% equity interest in TA Global Trust Pte Ltd for a total cash consideration of SGD2.00. TA Global Trust Pte Ltd was incorporated on 5 December 2011 as a limited private company in Singapore. The issued and paid-up capital of TA Global Trust Pte Ltd is SGD2.00. Its principal activity is investment holding.

As TA Global Trust Pte Ltd is inactive, it does not have material financial and operational effect on the Group.

- 2) On 3 February 2012, the Company announced that its wholly-owned subsidiary, TA Gemilang Trading Sdn Bhd had acquired 2 ordinary shares representing 100% equity interest in Crystal Caliber Sdn Bhd, for a total cash consideration of RM2.00.

Crystal Caliber was incorporated on 20 September 2011 as a private limited company in Malaysia pursuant to the Companies Act, 1965. The issued and paid-up capital of Crystal Caliber is RM2.00 divided into 2 shares of RM1.00 each. Crystal Caliber is an investment holding company.

As Crystal Caliber is inactive, it does not have material financial and operational effect on the Group.

### ***Acquisition of an associated company***

- 1) During the current financial quarter, TA Properties Sdn Bhd completed the acquisition of 2,000,000 ordinary shares representing 25% equity interest in Oasis Sdn Bhd for a total cash consideration of RM10,750,000.

Oasis Sdn Bhd was incorporated on 13 May 2002 as a private company limited by shares in Malaysia (Company No. 579976-H) pursuant to the Companies Act, 1965. The authorised and paid-up share capital of Oasis Sdn Bhd is RM8,000,000 divided into 8,000,000 ordinary shares of RM1.00 each. The principal activity of Oasis Sdn Bhd is housing development and construction contractor.

The results of the associated company have been equity accounted for based on the management financial statements for the relevant period.

## **A12 Changes in Contingent Liabilities or Contingent Assets**

As disclosed during the first financial quarter ended 30 April 2011, the Group had guaranteed its share of A\$3,750,000 (RM12,187,500 equivalent) of the Little Bay project's financial obligations which have been incurred jointly with CHOF5 Little Bay Pty Ltd.

During the second financial quarter ended 31 July 2011, the Group was released from the above-mentioned guarantee. Meanwhile, the Group had provided a new guarantee of A\$2,500,000 (RM8,125,000 equivalent) to a bank in respect of the performance of the Little Bay project.

There were no other changes in contingent liabilities since the last annual reporting date except as disclosed above. The Group does not have any contingent assets.

## **A13 Commitments**

The amount of capital commitments not provided for in the interim financial statements as at 31 January 2012 is as follow:

	RM'000
Approved but not contracted for:-	
- Renovation	27,600

Notes (in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad)

**B1 Performance Analysis of the Group's Operating Segments**

The Group reported a pre-tax profit of RM31.5million and a consolidated revenue of RM190.1million for the current fourth quarter, compared to pre-tax profit of RM54.0million and consolidated revenue of RM179.6million respectively achieved in the previous year's corresponding period. Although TA Global Group enjoyed higher hotel revenue, contributions from both the stockbroking arm and credit and lending segments of the Group were lower in the current quarter, as compared to the previous year's corresponding period.

Analysis of the profit before tax for the current and preceding year's fourth quarter:

	Current Year Quarter 31 Jan 2012 RM'000	Preceding Year Corresponding Quarter 31 Jan 2011 RM'000	Curent Year To Date 31 Jan 2012 RM'000
Revenue	190,068	179,626	693,892
Other income			
- Interest income from overdue financial receivables	149	749	187
- Interest income from financial institutions	4,670	2,114	13,710
- Interest income from a joint venture in which the Group has 65% interest	579	1,190	1,652
- Other interest income	358	145	816
- Gain on disposal of investments	2,880	6,227	11,172
- Gain on disposal of an investment property	-	-	650
- Rental income	1,254	1,411	4,991
- Bad debt recovered	-	-	863
- Hotel profit guarantee	-	-	2,959
- Others	(571)	1,907	4,877
	9,319	13,743	41,877
Other expenses			
- Amortisation and depreciation	(18,411)	(13,352)	(72,065)
- Cost of properties and building materials sold	(17,586)	(19,734)	(44,260)
- Remisiers', agents' and futures brokers' commissions	(6,865)	(10,936)	(28,053)
- Hotel operational expenses (include hotel personnel cost)	(73,617)	(50,901)	(277,802)
- Personnel and others	(32,630)	(29,249)	(120,599)
- Fair value gain/(loss) on revaluation of investments	610	350	303
- Fair value loss on derivatives	(1,736)	-	(1,736)
- Allowance for impairment loss on receivables	(9,341)	(11,449)	(11,608)
- Foreign exchange (loss)/gain	2,532	2,352	2,901
	(157,044)	(132,919)	(552,919)
Finance costs	(9,182)	(6,458)	(29,851)
Share of results of associated companies	(7)	15	647
Share of results of jointly controlled operations	(1,648)	-	(1,648)
Profit before tax	31,506	54,007	151,998

## **B1 Performance Analysis of the Group's Operating Segments (cont'd)**

### *Broking and financial services*

Net segment results of the broking arms in the fourth quarter and full year of FYE2012 slipped 57% and 13% to RM8.9million and RM45.8mil respectively as compared to the corresponding period in FYE2011. Prolonged uncertainties in the equities market and rising concerns over global economic growth had led to lower capital market and trading activities, resulted in a decrease in brokerage and proprietary trade income.

### *Credit and lending*

Net segment results of the credit and lending division in the fourth quarter declined 58% to RM5.8million. This was compared to RM13.7million in the same quarter of FYE2011 which saw RM3.2million share of profit from net sale proceeds of shares, and higher reversal of impairment losses on financial receivables. Nevertheless, the full year results grew more than two fold with the increase in interest and recovery of financial receivables.

### *Hotel operations*

Hotel operations reported stronger growth in revenue to RM104million in the fourth quarter of FYE2012, 23% above RM85million in the same quarter of last financial year. This was supported by the expanded revenue base since April 2011 with the acquisition of Swissotel Kunshan, China. The division had continued to provide steady net profit before tax to the Group, with RM70.5million and RM53.1million achieved respectively for FYE2012 and FYE2011.

Notwithstanding the current economy uncertainty, the Group had achieved sustainable net results in its investment holding, property investment and property development segments.

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

The Group registered a pre-tax profit of RM31.5 million in the current fourth quarter as compared with a pre-tax profit of RM20.0 million in the preceding third quarter. Besides higher sales on completion of the Amania project, the Group's profit in the current fourth quarter improved with the increase in foreign exchange translation gain.

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

In view of the global uncertainties, Malaysia's growth prospects for 2012 maybe lackluster and we expect the overall economic growth to be slower in 2012 given the anticipated slowdown in net exports and moderated growth in domestic spending. Generally, the Overnight Policy Rate maintained by Bank Negara Malaysia will benefit the equity market and the property market.

#### **- *Broking and financial services***

In 2012 the market volatility will persist and it will provide trading opportunities while enhancing market velocity and hence the Group expects sustainable contributions from its broking business on the back of continuous active trading sentiments in the regional market. The Futures broking company being awarded by Bursa Malaysia Derivative Berhad as the top Commodities Futures Broker and main leader in BURSA's Future Crude Palm Oil trading is expected to continue its contribution to the Group's financial services substantially as compared to previous years. Concurrently, BURSA's enhanced trading system infrastructure and implementation of new Derivative Clearing System with multi asset-class, time zone and currency capabilities especially Negotiated Large Trade Facility shall boost the trading volume in and we expect higher trading volume from the Group's future business.

#### **- *Credit and Lending***

The Group's local credit and lending entities will continue focus on the Employee Share Options Scheme financing business and seek business opportunities from a slower Initial Public Offering market in 2012. We expect a moderate growth in short term corporate lending and shall remain part of the business strategy for credit and lending segment locally.

#### **- *Property Investment***

The property investment predominantly operates in Malaysia besides Canada and China provides a stable income stream for the Group. The Group will continue to review and further improve the performance of the existing assets held.

#### **- *Property development***

The introduction of new financing guideline, Responsible Financing Guidelines has taken a toll on the property industry as potential buyers exercise caution and adopt a wait-and-see attitude before investing. Barring any unforeseen circumstances, we expect property prices in Malaysia to sustain as it benefits from the "wealth effect" arising from the recent surging stock market. In the long run, we expect property prices to increase as Bank Negara's commitment to keep the OPR unchanged and the Klang Valley MRT are expected to drive higher demands.

#### **- *Hotel Operations***

The expanded hospitality business has continued to provide stable income stream for the Group. The Group will continue to explore and evaluate opportunities for further expansion of the hotel operation within the region.

**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	(9,363)	17,949
- Foreign tax	5,178	10,076
Deferred tax	3,965	762
Underprovision in prior year	37	1,016
	<u>(183)</u>	<u>29,803</u>

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

	Current quarter RM'000	Year to date RM'000
Profit before taxation	<u>32,761</u>	<u>153,253</u>
Taxation at the statutory income tax rate of 25%	8,190	38,313
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 purpose	(8,410)	(9,526)
Underprovision in prior year	37	1,016
Tax expense for the financial period	<u>(183)</u>	<u>29,803</u>

## **B6 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) In the AGM held on 31 July 2009, the shareholders of the Company approved the establishment of a new employees’ share option scheme (“ESOS”) for the granting of option(s) to the eligible employees including Directors of the Company and its subsidiaries who fulfil the eligibility criteria to subscribe for new ordinary share(s) of RM1.00 each in the Company of up to 5% of the issued and paid-up share capital of the Company. The ESOS is currently pending implementation and no options have been granted to any eligible employees.



## B7 Group Borrowings and Debt Securities

Total Group borrowings as at 31 January 2012 were as follows:-

	Secured RM'000	Unsecured RM'000
<i>Long term borrowings</i>		
Foreign currency loans	800,074	-
<i>Short term borrowings</i>		
Foreign currency loans	104,965	-
Bank overdraft	-	4
Revolving credit	-	5,000
	905,039	5,004

Denomination of secured foreign currency loans:-

<i>Long-term borrowings</i>		
C\$	68,407,553	208,192
S\$	189,600,000	460,500
US\$	31,800,000	96,678
RMB	72,000,000	34,704
		800,074
<i>Short-term borrowings</i>		
A\$	23,250,000	75,404
C\$	4,286,285	13,045
S\$	6,800,000	16,516
		104,965

The secured foreign currency loans of the Group consist of the following:-

### Loans denominated in C\$

- (a) A 15-year term loan (C\$31,745,763) 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.
- (b) A 20-year term loan (C\$39,247,608) which will mature on 1 June 2031. The fixed interest rate of 4.26% per annum on the loan is compounded semi-annually and payable monthly together with principal amount.

The above term loans (a) & (b) are secured against a freehold land and building in Canada and the assignment of rentals and general security agreement over the aforesaid land and building.

- (c) Three 5-year term loans (total of C\$ 1,700,468) which will mature on 1 March 2015. The loans are subject to a variable interest rate of prime rate minus 0.1%. The loans are secured by mortgage and general security agreements in respect of the 3 residential properties in Canada.

## **B7 Group Borrowings and Debt Securities (cont'd)**

### Loan denominated in S\$

A 5-year term loan (S\$196,400,000) with a scheduled principal repayment S\$1,700,000 at the end of each of the 3 months from 30 November 2009. The interest applicable on the loan is the aggregate of the margin rate of 1.5%p.a and the SWAP rate. The term loan will mature on 30 November 2014 and is secured by new first all-monies charge over the ordinary shares of a subsidiary and mortgage over a hotel in Singapore.

### Loan denominated in A\$

A 3-year Multi-Option (floating and/or fixed rate) Bill Facility amounting to A\$23,250,000 which will mature on 28 February 2012. The loan is secured against a freehold hotel land and building in Australia.

### Loan denominated in US\$

3-year term loans (total of US\$31,800,000) of which US\$19,800,000 will mature on 5 April 2014 and US\$12,000,000 will mature on 8 April 2014 . The loans are subject to a variable interest rate of 1% over the bank's prevailing cost of funds. The loans are secured against a freehold hotel land and building in Australia.

### Loan denominated in RMB

Four term loans (total of RMB72,000,000) with maturities from 20 December 2013 to 24 April 2016. The loans are subject to variable interest rate, fluctuated by 5% less than the benchmark rate. The loans are secured against a leasehold hotel land and building in the Republic of China.

## **B8 Material Litigation**

Kuala Lumpur High Court Summons No:

D8-22-1053-2008, D1-22-1054-2008, D8-22-1055-2008

Prisma Hiasan Sdn. Bhd., Teng Wee Eng, and Eagle Mode Sdn. Bhd. ("the Plaintiffs") vs. Indo Aman Sdn. Bhd. ("the Defendant")

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As disclosed in the last annual report for the financial year ended 31 January 2011, the Defendant received legal claims from the above-mentioned three Plaintiffs in year 2008.

The Defendant and the Plaintiffs had amicably settled the matter out of court in which the Defendant made a payment of RM1,519,630 as full and final settlement (without admission of any liability) on 7 October 2011. Both the Plaintiffs and the Defendant subsequently withdrew all the three suits with no order as to costs and without liberty to file afresh.

As at 13 March 2012, there were no changes in material litigation since the last reporting date of 31 January 2011, except as disclosed above.

**B9 Dividend**

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

**B10 Disclosure of derivatives*****Bonus protection foreign currency forward***

An agreement to buy or sell currencies at a future date for the specified series of FX contracts and enables partial protection of the total notional amount. This contract requires physical delivery and contains embedded foreign exchange derivatives which are sensitive to the change of market factors.

Types of derivatives/Maturity	Contract/Notional value	Fair value
Bonus protection foreign currency forward -Less than 1 year	RM91,206,000	RM1,735,662

The Group entered into bonus protection foreign currency forward to minimise its exposure to foreign currency risks as a result of specific transactions denominated in currency other than its functional currency. These transactions arose from normal business activities. Foreign currency forwards are entered into in accordance with the Group's risk management policies and are executed with credit-worthy financial institutions.

These contracts are stated at fair values, using valuation technique with market observable inputs. Derivatives with positive market values are included under current assets and derivatives with negative market values are included under current liabilities. Any changes in fair values during the period are taken into directly to the income statement.

**B11 Disclosure of gains/losses arising from fair value changes of financial liabilities**

There were no gains/losses arising from fair value changes of financial liabilities for the current financial quarter.

**B12 Disclosure of realised and unrealised profits/(losses)**

Bursa Malaysia Securities Berhad (“Bursa Malaysia”) has, on 25 March 2010 and 20 December 2010, issued directives requiring all listed corporations to disclose the breakdown of retained profits or accumulated losses into realised and unrealised in quarterly reports and annual audited financial statements.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits are as follows:

	Current quarter <b>RM'000</b>	As at the end of last financial year <b>RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
-Realised	782,367	541,981
-Unrealised	(158,418)	(13,876)
	<u>623,949</u>	<u>528,105</u>
Total share of retained profits of associated companies:		
-Realised	3,922	3,275
-Unrealised	78	78
	<u>4,000</u>	<u>3,353</u>
Total share of accumulated losses from jointly controlled operations		
-Realised	(1,648)	-
	<u>626,301</u>	<u>531,458</u>
Less: Consolidation adjustments	<u>(1,048,011)</u>	<u>(1,022,202)</u>
Total (accumulated losses)/retained profits as per Statement of Financial Position	<u>(421,710)</u>	<u>(490,744)</u>

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Jan 2012	31 Jan 2011	31 Jan 2012	31 Jan 2011
<b>Basic earnings per share</b>				
Profit for the period (RM'000) - attributable to owners	23,025	32,266	94,713	81,371
Weighted average number of ordinary shares in issue ('000)	1,711,910	1,711,910	1,711,910	1,711,910
Basic earnings per share (sen)	<u>1.34</u>	<u>1.88</u>	<u>5.53</u>	<u>4.75</u>

Basic earnings per share was calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share were not computed for the current and preceding period as the Company does not have any dilutive potential ordinary shares in issue as at the end of the reporting period.

BY ORDER OF THE BOARD  
Chuah Wen Pin

Kuala Lumpur  
20 March 2012